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SPEECH

OF THE

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HON. E. B. WOOD,

TREASURER OF THE PROVINCE OF ONTARIO,

DELIVERED ON THE 15TH DECEMBER, 1868,

IN THE

Legislative Assembly of Ontario,

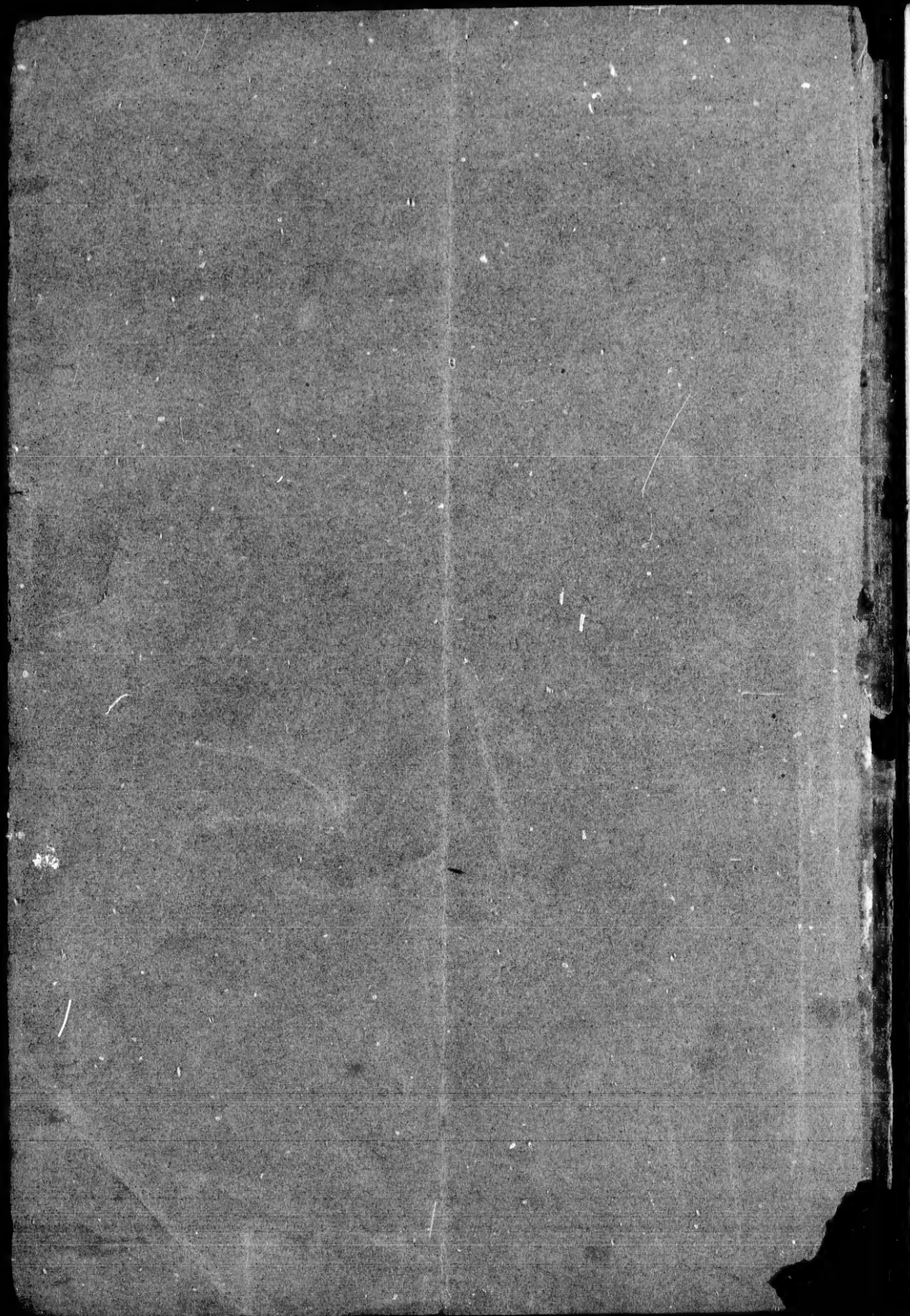
ON MOVING THE HOUSE INTO COMMITTEE OF SUPPLY.

REPORTED BY J. K. EDWARDS.

Toronto:

PRINTED BY HUNTER, ROSE & CO., 86 KING STREET.

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FINANCIAL STATEMENT

OF THE

HON. E. B. WOOD.

LEGISLATIVE ASSEMBLY,

TORONTO, *Tuesday, Dec. 15, 1868.*

HON. MR. WOOD, in rising to move, That the Speaker do leave the Chair for the House to go into Committee of Supply, spoke as follows:—

Mr. Speaker, in making this motion, it will be expected that I should offer some observations on the state of the finances of the Province. I may remark, at the outset, that a good deal of difficulty exists about coming to a correct conclusion in reference to our financial condition, chiefly from two causes. One is, the present uncertainty as to what is the debt of the late Province of Canada, which is a necessary preliminary to be arrived at before the arbitrators can act in dividing the excess of that debt beyond \$62,500,000 between the Provinces of Quebec and Ontario. The other is the fact that the assets of the late Province of Canada, which are to be handed over to the two Provinces, have also to be divided by the same arbitration. But, proceeding on such information as I have, I shall endeavour to put the House in possession of the views I entertain with reference to what may be considered, as nearly as possible, the exact financial state of this Province. In proceeding to the discharge of this task, I would in the first place refer the House to Statement No. 4, at page 39 of the Public Accounts for the nine months to 30th September, 1868—which is a statement of the amount of Estimates, the amount expended by the Government of Ontario, and the amount unexpended, up to that date. It is shewn there, that on the 30th September, there was a balance unexpended of the appropriations for the year, amounting to \$483,132.20. The first

point then to which I have to direct the attention of the House, is how far these unexpended balances will be sufficient to meet the services for which appropriations have been made for the current year, and what will be the state of the appropriations for the various services at the close of the year, on the 31st December. I shall now state the conclusions at which I have arrived on this point. The amount of appropriations which will remain unexpended on the 31st December, 1868, for the various services, and which will therefore lapse, will be as follows:—

Civil Government,	-	-	-	-	\$24,639.63
Crown Lands Expenditure,	-	-	-	-	34,503.71
Legislation,	-	-	-	-	2,760.04
Administration of Justice,	-	-	-	-	15,993.21
Public Works and Buildings,	-	-	-	-	44,133.38
Agriculture,	-	-	-	-	5,591.00
Miscellaneous,	-	-	-	-	4,285.20
Lunatic Asylums,	-	-	-	-	3,529.67
Aid to Superior Education,	-	-	-	-	1,500.00
Unforeseen and Unprovided,	-	-	-	-	8,074.77

Making a total of unexpended balances on appropriations of - - - - - \$145,010.61

after covering all expenses. (Hear, hear). I may make a remark or two on some of those items, to shew wherein chiefly the saving has been effected. The saving under the head of Civil Government has been chiefly in contingencies. In Crown Lands expenditure, there has been a saving of \$21,000 in surveys, and of \$14,000 in agents' salaries.

MR. BLAKE—That is, in estimated surveys not performed, and agents not employed?

HON. MR. WOOD—Yes. In "Legislation," the saving runs through a number of items, which it would be tedious to particularize. Under the head of the Administration of Justice, the saving, amounting to nearly \$16,000, has been in the Administration of Criminal Justice. The estimate for the Administration of Justice for the current year, was based on the actual expenses paid by the late Province of Canada for the preceding year; and, while there has been so considerable a saving of expense, I believe the amount of business has been quite as great during the current, as in preceding years. I think I may claim it as due to a very close attention to the auditing of the accounts for the Administration of Criminal Justice, that so large a saving as \$16,000 has been effected; for, if any hon. gentleman will look at the Public Accounts for previous years, they will see that these expenses, until the present year, instead of diminishing, always went on increasing from year to year. (Hear, hear.) Under the head of Public Works and Buildings, are included the Colonization Roads, of the appropriation for

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which, there is \$13,097.85 unexpended; it includes also the appropriation for the Lieutenant-Governor's residence, which amounted to \$50,000, and of which \$22,322.26 will be unexpended. Under the head of Lunatic Asylums, there was an appropriation of \$75,000 for two additional wings to the Provincial Asylum, and of that there will be unexpended \$8,703.27. Of the appropriation for Superior Education, there will be \$1,500 unexpended. This sum was voted to a Collegiate Institute at Sandwich, which was found not to belong to the category which would bring it under the class of institutions for Superior Education, and the Government, therefore, deemed it unadvisable to make the payment. The payments under the head of "Unforeseen and Unprovided" will be found for the most part in the Public Accounts. I shall now lay before the House an estimate of what will be the state of the cash balances at the close of the current year—showing how we will stand, with respect to cash, on the 31st December. The estimate is as follows:—

Balance in Treasurer's hands, 30th Sept., '68, as per
Public Accounts, - - - - - \$456,405.94

Estimated Receipts from 1st October to 31st December.

From Dominion of Canada on General Account, - - - - - \$ 40,000.00
" " " " " 100,000.00
" " " on Municipal
Loan Fund Account, - - - 134,693.65
\$274,693.65

From Crown Lands Department.

Revenue - - - - - \$75,000.00
Clergy Lands, - - - - - 34,903.00
Common School Lands, - - - - - 21,040.00
Grammar School Lands, - - - - - 500.00
\$131,443.00
From Provincial Lunatic Asylum, - - - - - 1,518.98
" Malden Asylum, - - - - - 54.02
" Education Department, - - - - - 6,277.54
" Casual Revenue, - - - - - 4,376.34
" Tavern Licenses, - - - - - 3,779.74
" Refund per Reformatory, - - - - - 286.72
" " T. C. Patteson, - - - - - 1,208.01
" " Hon. D. L. Macpherson, - - - - - 800.00
" Law Stamps, L. S., - - - - - 2,565.00
" Marriage Licenses, - - - - - 2,842.00
" Taxes in Algoma, - - - - - 100.00
\$886,350.94

From this the total of cash on hand on the 30th September, and of the cash received, or estimated to be received, to 31st December, amounting to	-	-	\$886,350.94
I take the payments that have been made, or, which it is estimated, will be made from 30th September to 31st December, 1868,	-	-	693,405.19
Leaving estimated cash on hand on 31st December,	-	-	\$192,945.75

MR. BLAKE—Since what date are the payments of \$693,405.19 ?

HON. MR. WOOD—Since the 30th September last. The largeness of the amount may appear to conflict with the figures in the Statement at page 39 of the Public Accounts, but it does not conflict with them in reality, for it includes an investment which we have made since that date in Dominion Stock of \$355,283.60 ; so that the amount we have actually paid, or have to pay during the quarter on the appropriations for the year, aside from those which will lapse, will only be \$338,121.59—being the difference between \$693,405.19 and \$355,283.60. Adding the lapsed appropriations, according to the statement which I just now submitted to the House, \$145,010.61, we have the total, \$483,132.20, shewn by Statement No. 4 of the Public Accounts to have been unexpended on the 30th September ; and as I have already stated, I estimate a cash balance on hand on the 31st December of \$192,945.75. (Hear, hear). The next point to which I shall call the attention of the House is, what will be our probable financial position after meeting all liabilities on the 31st December, 1868. We have invested in Debentures of the Dominion of Canada, bearing 6 per cent. interest, \$500,000. We have invested in Stock of the Dominion, also bearing 6 per cent. interest, \$350,000. We shall have an estimated cash balance in the Treasury, as I have shewn, of \$192,945.75. These three amounts make a total of \$1,042,945.75 of investments and cash. On the other hand, what is there which may properly be set off against that ? Nothing but our indebtedness to the Special Funds, as I shall presently shew. In referring to these Funds, I do not propose to tire the House by going into an explanation of their origin and history, the subject being somewhat abstruse.

MR. BLAKE—Before the hon. gentleman departs from the question of the cash balance, perhaps he will mention whether that cash balance is deduced after payment by the Government of the interest on the excess of debt above \$62,500,000.

HON. MR. WOOD—I will come to that presently. I have provided for the interest on what I assume to be the outside of our share of the debt beyond the \$62,500,000 ; so that really against that side of the ledger there is no possibility, so far as I can judge, of anything arising, except what I shall now mention. In dealing with the Special Funds, I propose, until I am otherwise directed, to keep a separate account of

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them. There are only three special funds, to which it is necessary that I should now refer. One is the Common School Fund yet to be divided between Ontario and Quebec. Another is the principal of the Grammar School Fund, which belongs exclusively to Ontario. There is another Fund called the Grammar School Income Fund, which was made up in this curious way. Investments were sometimes made out of the Grammar School Fund, and the interest paid on those investments was carried to the credit of what is called the Grammar School Income Fund; and when Grammar School lands were sold on credit, payable with interest, or by instalments without interest falling in arrear, the interest paid on these sales was carried, not to the Grammar School Fund, but to the Grammar School Income Fund. Now, I think, so far as we are concerned—as we provide, by annual votes, large amounts both for the Common Schools and Grammar Schools—all we can be asked to do is to keep the principal of those funds intact. After an adjustment has been had between the Provinces, I shall carry the principal of these funds which is accumulating in my hands to the principal due from the Dominion on the Common School Fund and the Grammar School Fund. The interest received on payment of sales of Grammar School Lands, I shall carry, not to the credit of the Grammar School Income Fund, but to the Grammar School Fund. It will then be for this House to determine in what manner they shall be dealt with. For my own part I do not think it advisable to keep a merely ledger account investment of such funds. I think they should be invested actually in Dominion Stock or otherwise. But as yet they are so small and inconsiderable, as to be scarcely worth while making an investment of. In saying this, I speak, of course, of the transactions of this Government, and not of the funds, as they stand in the books of the Dominion, as they are owing and will have to be paid to this Province. Then there is another Fund that we cannot touch at all—the Municipalities Fund, arising from the Clergy Reserves. This fund has been distributed from Ottawa during the present year, for moneys received on account of this fund prior to 1st July, 1868, but during next summer we will have to distribute here what has been and will be received by this Government up to 31st December, 1868. Therefore it is properly a charge against the \$1,042,945.75 of investments and cash which we will have on the 31st December, 1868. For the half year ending the 31st December, 1867, and the present year, the fund will amount to \$137,994.81, and it must be kept separate, because it belongs to the municipalities and must be annually distributed. This annual distribution is usually made in the month of July, as we do not usually get the returns completed until that period. In the distribution of this Municipalities Fund, those municipalities which are indebted, under the Municipal Loan Fund Act, and are in arrear, of course get no portion of the fund. What would be their portion, according to population, goes into the general fund, and the other municipalities, as the law now stands, get the benefit of it. The question has been raised—and I think

there is a great deal of force in that view—whether the portion which would accrue to those municipalities if they were not indebted and in arrears to the Municipal Loan Fund, instead of lapsing and going into the general fund for the benefit of the other municipalities, ought not to go into the Treasury of the Province, credit being given to the indebted municipalities for the respective amounts. (Hear, hear.) This would seem only just to the defaulting municipalities, for those in default, as well as those not in default, contribute by paying duties on tea, sugar, &c., to the revenues of the Dominion. It is said, that those who receive the lapsed portions, have to contribute towards paying the interest on the debt created by the Municipal Loan Fund, but so does every other person who consumes dutiable or exciseable goods. I merely state the proposition as it has been suggested, and as it has passed through my own mind. In that way the Provincial Treasury would get the benefit of those lapsed portions, whereas now the municipalities get the whole of it, while the indebtedness goes on accumulating against the defaulting municipalities. I also set off the Common School Fund, the net amount of which, while this Government has had to do with it, since 1st July, 1867, will be, on the 31st December, 1868, according to the estimate before me, \$108,987.16. I also set off the Grammar School Fund—that is, the money arising from the sale of the Grammar School lands, during the same period, and amounting to \$10,830.70. I do not divide this into what would go to the Income Fund, and what would go to the principal, because I do not see any necessity for such a division. I do not see why it was ever thought advisable to make such a division. However, during the period these figures cover, there has been nothing whatever coming to what would have been the Income Fund, except interest on outstanding Grammar School land sales. These three funds up to 31st December, 1868, sum up as follows:—

Municipalities Fund,	-	-	-	-	-	\$137,994.81
Common School Fund,	-	-	-	-	-	108,987.16
Grammar School Fund,	-	-	-	-	-	10,830.70
						\$257,812.67

Which, taken from the sum of the items I have mentioned on the other side, the \$500,000 Debentures of the Dominion, the \$350,000 Stock of the Dominion, and \$192,945.75 of cash in hand—in all \$1,042,945.75—will leave a net result, after providing for these three funds, of \$785,133.08, as the clear surplus at the close of the present year. But, if we can treat the School Funds as proper revenue, considering that in the estimates we provided very liberally for Common Schools and Grammar Schools—an addition of \$30,000 or \$40,000 being made to the estimates of last session for the coming year, in order to carry out the suggestions of the Committee on Education—then the proportion of the Common School Fund coming to us, estimated at five-ninths,

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would be	-	-	-	-	-	-	-	-	\$60,548.40
Grammar School Fund	-	-	-	-	-	-	-	-	10,830.70

making together	-	-	\$71,379.10
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which, added to the net surplus already stated of \$785,133.08, will give us a clear surplus, at the close of the year, of \$856,512.18. (Hear, hear.) I come now to the question of making provision for the interest on the portion of the excess of the debt falling to Ontario. After making the most careful investigation that I possibly could—and I shall be happy to put this statement into the hands of any hon. gentleman—with regard to the probable state of account between the Dominion of Canada and the Province of Ontario, after drawing the moneys from the Dominion, which are included in the cash statement, and which I have already mentioned, I make the balance that will be coming from the Dominion to be \$259,215.35, and in this statement I have credited the Dominion Government with the payments of the interest on the probable debt in excess of \$62,500,000, on the 1st January and the 1st July last. This is the note I have made on that point. Assuming that the debt of the late Province of Canada will exceed \$62,500,000 by \$9,500,000, and that the excess be apportioned between Ontario and Quebec, according to population as per last census, Ontario will have to pay interest at 5 per cent. on \$5,288,940.00, and Quebec on \$4,211,060.00. This would impose upon Ontario an annual interest pay-

ment of	-	-	-	-	-	-	\$264,447.00
And upon Quebec	-	-	-	-	-	-	210,553.00
The half year's interest of Ontario would be	-	-	-	-	-	-	132,223.50
And of Quebec	-	-	-	-	-	-	105,276.50

Now, in assuming that the excess of the debt will be \$9,500,000—

ATTORNEY-GENERAL MACDONALD—We do not assume that.

HON. MR. WOOD—Of course we do not *admit it*, but we assume it, in order to be on the safe side. I thought it advisable, in everything, to err on the safe side. (Hear, hear.) In making out the account against the Dominion, I charge them with the \$40,000 half-yearly specific payment—with the interest on the U. C. Building Fund, not the principal of it—with a year's interest on the Grammar School Fund—and with a year's interest on the proportion of the Common School Fund, which, in any event, must come to Ontario; the Fund, I mean, already realized, and in the hands of the Dominion.

HON. MR. McMURRICH—What rate of interest?

HON. MR. WOOD—Five per cent., which is the rate fixed by the Imperial Act, in reference to transactions relating to the Public Debt. On these accounts I have only charged them a year's interest, a portion of which they have paid. I am assuming that the House understands what I mean by these special funds, and that I need not enter into more specific explanations. I charge them also, I may mention, with the Law

Stamps, amounting to \$99,832, which I hold to be as much ours as any dollar of revenue we possess. It is a thing we must have. We pay these moneys and they belong to us. It would be the most absurd thing in the world to suppose that the Dominion had any right to them. The Confederation Act provides that the Dominion Government shall pay the Superior Court Judges and the County Court Judges, and, as regards all the other Provinces, these Judges are paid out of the general revenue of the Dominion, without any local funds being provided in any way as a compensation, or set-off to these local taxes on Ontario. These fees were originally imposed to pay certain judicial officers and judicial expenses, which we now pay out of our own Provincial revenues, and there can be no justice in saying that fees imposed for the very purpose of paying these officers, and expenses, should now, simply because they had been funded, and salaries fixed in lieu of them, which salaries were now paid by Ontario, go into the revenues of the Dominion. There can be no justice, no sense, no reason in saying that we are not entitled to these revenues when we pay the officers, and the expenses for the payment of which they were originally imposed, and have been kept up all along, but that they should go into the Exchequer of the Dominion. (Hear, hear). I have said that I charged the Dominion Government with the interest on the proportion of the Common School Fund, which in any case must come to us. All these are moneys which the Dominion Government owe us, and must pay us. *They are peculiarly Upper Canada moneys.* It may be said, "You are counting upon getting moneys which you may never get, which the arbitrators may never give you." I say that, long before the Union between the Provinces was thought of, *these*, to the extent I have assumed, *were Upper Canada property*,

MR. FERGUSON—What is the amount of the Common School Fund?

HON. MR. WOOD—The gross amount of the Common School Fund on the 1st July, 1867, was \$1,733,224.47. There is a small investment against this, which, I suppose, must be given up as worthless if my argument in favor of making the Dominion accountable for it does not prevail—an investment in the Quebec Turnpike Trust of \$58,000, with arrears of interest, \$29,580; together \$87,580—leaving a clear balance to the credit of that fund of \$1,645,644.47. Now, assuming—which I by no means admit—that Quebec has any interest whatever as a matter of right—as a matter of law it may be otherwise—in the Common School Fund, but assuming that Quebec may have such an interest, in proportion to the extent of her population as compared with ours, as the Common School grants, both in Upper and Lower Canada, were always made in reference to population—then the proportion of that fund belonging to Ontario would be \$981,340, which the Dominion Government must pay to us. I charge them with interest on that for one year, namely, \$49,067. Then the U. C. Building Fund I treat

such ours as any have. We pay most absurd thing to them. The Government shall pay wages, and, as respects of the general thing provided in taxes on Ontario. Provincial officers and provincial revenues, and for the very now, simply because of them, which of the Dominion. saying that we are and the expenses proposed, and have to the Exchequer charged the Dominion of the Common these are moneys ours. *They are peculiarly counting upon arbitrators may between the Promised, were Upper*

Common School

Common School Fund a small investment worthless if my argument it does not prove of \$58,000, with a clear balance assuming—which I whatever as a matter—in the Common such an interest, in shared with ours, as Lower Canada, were proportion of that which the Dominion interest on that for ding Fund I treat

a little differently. This U. C. Building Fund is a very large one, and I may as well say a word or two about the origin of it. In 1854, as every Hon. Member is aware, an Act was passed to do away with the Seigniorial Rights in Lower Canada. Certain revenues in Lower Canada, as Tavern Licenses, Marriage Licenses and some other local revenues were declared in that Act to belong to Canada, and it was provided that they should go into the Treasury of the late Province of Canada. It was supposed on an estimate made of those funds, by capitalizing them, that if \$600,000 were taken out of the Consolidated Fund of the Province and added to what was estimated to be the value of those local revenues, it would be sufficient to extinguish those rights. A great battle took place over this, and finally there was a compromise made in this way, that another sum of \$600,000, equal to what was being taken out of the Provincial Treasury for the settlement of those rights, should be set apart for Upper Canada purposes. This amount formed the main basis of the Upper Canada Building Fund. Prior to that time the sums received for Marriage Licenses had always belonged to that Fund. These in round numbers amounted to about \$26,000 per annum. The Fund from the accumulations of interest, and the receipts from Marriage Licenses amounted in gross, on the 1st July, 1867, to the sum of \$1,578,808.96. But against this there were some investments, to which I would especially call the attention of the Hon. Member for Hamilton. First, there is a Debenture account of \$36,800. Those were Debentures issued for the Lunatic Asylum, Osgoode Hall, and Normal School, representing money borrowed on the credit of this fund, and they are still unpaid. Then there is an investment of \$30,000 on the debentures of the city of Hamilton. It would appear as if this had escaped the attention of the Dominion Government, as well as of the Treasurer of Hamilton. Nothing has been paid on it for a number of years. There was on the 1st July, 1867, due for arrears of interest on this investment \$10,800. We are, of course, entitled to this investment, and in the course of a few days I shall endeavour to realise something upon it. Taking these investments from the fund, we have a clear balance due us by the Dominion Government on that fund of \$1,512,008.96. On that I charge the Dominion with a year's interest at 5 per cent., amounting to \$75,600.44, and it is ready to pay it. Some portion of it has been paid. Of course we do not want to draw these moneys, on which we are receiving 5 per cent. interest before we are in a position to use them. We want to utilise our funds as much as we can, and to keep them where they are until we can get a better investment. It will be our duty to seek that investment whenever we have the authority to do so, and can do it advantageously. It will be borne in mind that I have not touched the principal of these funds, but I take the interest for general purposes, as I think I am justified in doing. I take, for example, the interest on the Common School Fund, \$49,067, for general purposes, because we are voting nearly \$200,000 per annum for Common Schools.

MR. BLAKE—You calculate the interest at 5 per cent. Did you not calculate it at 6 per cent. last session?

HON. MR. WOOD—Yes; but we find it is not so easy a matter to get a sure investment at 6 per cent. for such large amounts.

MR. BLAKE—So I told you.

HON. MR. WOOD—No doubt the Hon. member for South Bruce has reason to be aware of the difficulty of finding an investment for large sums. I wish to make a remark about the Building Fund, to which I particularly call the attention of hon. members. I thought of charging the appropriations for Public Buildings against that Fund—I mean what was expended on the Governor's residence, and the Lunatic Asylum. This was what was done in former times. Whenever an appropriation was wanted for any public building in Upper Canada, it was voted to us, but was charged against our own U. C. Building Fund.

ATTORNEY-GENERAL MACDONALD—As the \$18,000 for the Toronto Gaol.

HON. MR. WOOD—Exactly. Precisely so. The charging of all these moneys against the Fund would, of course, reduce it so much, and, if the same principle were followed up, I must also have charged the appropriations for the Government House, the Lunatic Asylum, Parliamentary Buildings, &c. This, of course, in time, would unavoidably bring the Fund largely in debt. Therefore it was that I thought it best to take the interest actually received on this Fund, and let the Fund itself stand intact until the final disposition of our Provincial affairs. It is pre-eminently a fund for public purposes; and, therefore, it is perfectly proper that it should be counted part of the general revenue of the Province, and that, as such, it should be available for general public purposes.

MR. BLAKE—Before parting with the subject, it would be satisfactory if the hon. gentleman would, in addition to giving us the interest, give us the total of the special funds.

HON. MR. WOOD—The total principal of the special funds, unquestionably belonging to Ontario, amounts to about \$3,000,000.

MR. BLAKE—What proportion of that is attributed to Ontario?

HON. MR. WOOD—The whole of it. It consists of the Grammar School Income Fund, \$36,167.65, and the Common School Fund, \$1,733,224.47, of which the approximate proportion belonging to Ontario,—on the supposition that the fund will be apportioned according to population as per last census,—will be \$981,300, or, say, in round numbers, about \$1,000,000. Then there is the Upper Canada Building Fund—less debenture account, investments, &c.—amounting to \$1,501,208.96. And there is this to be said about these funds, that while those belonging to Ontario owe nothing, some of those belonging to Quebec are largely in debt. I would now desire to call the attention of the

House to the unexpended appropriations of the late Province of Canada. There is the Common School Legislative Grant to Upper Canada, which arises in this way. The Legislature of the late Province of Canada made a special grant of about \$128,000 to Lower Canada Common Schools to meet pressing debts which could not be otherwise provided for, and which could not be postponed, and it was insisted that Upper Canada should have a grant of an equal amount, which was made. Therefore, of this Legislative Grant to Upper Canada, there remained on the 1st July, 1867, unexpended, the sum of \$126,999.87. There is also unexpended on appropriations for Colonization Roads in Upper Canada, \$65,939; for Agricultural Instruction, \$100; and then occurs this curious item:—"Preparation of Parliament House and Lieutenant-Governor's Residence, \$50,000, to be charged against Upper Canada." I include it with the other unexpended appropriations in my debits against the Dominion. Against these items I give the Dominion credit for the full amount it has paid. I credit it with the half-year's interest on Ontario's assumed share of the excess of debt over the \$62,500,000, which amounts to a half-yearly payment of \$132,223.50, or an annual payment of \$264,447. Altogether, the balance shown in favour of Ontario, and against the Dominion, amounts to \$359,215.35. Out of this I calculate to get from the Dominion this year the sum of \$100,000. (Hear, hear.) In this matter, if estimating the probable debt of the Province of Canada, I have often felt the force of the argument, that there is danger of committing ourselves to what is against the interests of this Province. But the time for that feeling has, in my judgment, passed. We tried to agree on the debt, and did not make much progress; and now, I think, this House and the country have a right to know all about this matter; and the more open and candid we are in our statements, the sooner will we reach a conclusion.

MR. BLAKE—I thought the Hon. Treasurer told us last Session the Special Funds belonging to Ontario would, he thought, be equal to the excess of debt of the late Province of Canada over \$62,500,000.

HON. MR. WOOD—Yes. I did say I thought so, including the capitalization of the marriage licenses.

MR. BLAKE—I do not think you included marriage licenses.

HON. MR. WOOD—I am quite sure I did. But the House will understand that matters have since turned up which were not brought to my notice at that time either by the Minister of Finance or the Auditor, and which must increase the Public debt beyond what it would otherwise be. If hon. gentlemen will look at the correspondence on the subject of the debt of the late Province of Canada, they will see that there are Indian annuities secured by the Union Act of 1840, amounting to about \$26,000 for land ceded to us. And there were other Indian annuities subsequently voted by the Legislature, by which the Indians received an annual payment at first of \$4,000. Lower Canada also made a claim for an equal payment and got \$4,400, and

the payment to Upper Canada Indians was increased to a similar amount, making a total annual charge altogether of about \$35,000. That amount capitalised at 5 per cent. would represent the sum of \$700,000. Then again there were pensions payable by the late Province of Canada. The total sum paid under this head as per Public Accounts, 1867, was \$51,485.18. It is estimated that these pensions, capitalised at 5 per cent., according to the age of pensioners, by the English Government Annuity Tables, will amount to about \$300,000. Again, investigation into the late unsettled and unclosed accounts of the late Province of Canada, show that under this head there will be not much short of \$400,000. I must add to these three sums a fourth of at least \$261,000, to cover the payment of unexpended appropriations of the Parliament of the late Province of Canada. These four sums amounting to \$1,661,000, will have to be added to and form part of the total debt of the late Province of Canada. This, of course, would change the result from what was reasonably to be expected from the statements put forth. I have been thus explicit in putting this House and the country in possession of all the leading points in connection with this matter. I have at the same time put down the amount of the debt at what I conceive to be the utmost possible outside limit. But hon. gentlemen will understand that I do not for one moment admit the debt to be \$9,500,000 beyond the \$62,500,000. I have always assumed that certain debts, the property of the Dominion, were to go in reduction of the debt of the late Province of Canada. There is, for instance, the Great Western debt of \$2,742,671.34 without interest, or with interest up to 1st July, 1867, \$3,872,532.37. There is the special debt of the Grand Trunk Railway, secured by postal bonds, which is put down in the Public Accounts at about \$250,000; and special debt of the Northern Railway secured by bonds, amounting to about \$250,000. The Grand Trunk and Northern Railway securities have been lying in the coffers at Ottawa during all the time the negotiations were going on for a Union of the Provinces. They, with the Great Western Railway debt, are perfectly good. All the Finance Minister had to do was to realize on the securities in order at once to reduce the debt of the late Province of Canada by their amount. They amount in all, computing interest up to July, 1867, to the sum of \$4,359,272.03, and the Public debt might have been reduced by that amount if they had been converted the day before the Union Act came into operation.

MR. FERGUSON—If they were well sold.

HON. MR. WOOD—They are worth their face at all events. I do not, the House will understand, claim that the old debts of the Grand Trunk and Northern Railways should be taken into consideration: for by the legislation of the late Province of Canada we blotted out these debts. But the debts and securities I speak of, are living debts and securities. In the case of the Grand Trunk it was an actual advance of money. In the case of the Northern Railway an arrangement was en-

tered into by which their debt of \$2,311,666 67 was entirely postponed, and, in compromise, they gave these bonds on which there is now payable about \$250,000 to the Government.

HON. MR. McMURRICH—What is the amount of the Great Western debt?

HON. MR. WOOD—Altogether, principal and interest, up to 1st Jan. next, \$4,119,372.79. Hon. gentlemen, I suppose, know that that debt originated in moneys actually advanced under the Act by which a certain amount per mile was paid to the G. W. Co. in Provincial bonds, which were to form a first charge on the road. The Company had made provision in their annual statements for this debt; but, I believe, as a matter of fact, that it was merely a provision on paper. Giving that Company credit for all it has paid, there is the sum I have named now, due from it to the Government at Ottawa, and that Government now says that this debt from the G. W. Railway Co. should be given up by the late Province of Canada, and should go as set-off against the Nova Scotia and New Brunswick Railways, which it says are estimated to be worth \$11,000,000 to the Dominion!

In the Quebec Conference this was, it is affirmed, the understanding. And it is further stated that it was so agreed when the B. N. A. Act was settled. But how these facts may be, I do not pretend to know.

HON. MR. McMURRICH—There never could be a mere understanding in regard to such an amount as this.

HON. MR. WOOD—I cannot say. I wish to explain to the House that our efforts are directed to reducing the debt as low as possible; and that that debt will be so much reduced, if we get the Government at Ottawa to do, what in justice it is bound to do, place the Great Western Railway debt, and the other Railway debts I have mentioned, all of which are perfectly good for their full face to the credit of the late Province of Canada.

HON. MR. McMURRICH—What about the Bank of Upper Canada debt?

HON. MR. WOOD—It is disputed. The Government at Ottawa says it is willing to take this debt, but will only do so at a valuation. Of course that can never be acceded to. That debt amounts to \$1,150,000.01. I claim that this debt should be deducted from the debt of the late Province of Canada, and that there are other large items in the same position. Therefore, I say, that in naming the excess of debt, \$9,500,000, I thought that sum largely in advance of the real excess; and yet, even on that estimate, I stated to the House that we should have in the year's operations a clear surplus of \$785,133.08, excluding the Municipalities, the Common School and Grammar School Funds, but inclusive of the Grammar School Fund and five ninths of Common School Fund, amounting to \$856,512.08 which I have mentioned.

HON. ATTORNEY GENERAL—Explain the Common School Fund.

HON. MR. WOOD—What is called the Common School Fund originated in this way :—During the Baldwin administration, Mr. Merritt, who took a great interest in the progress of Common Schools, got 1,000,000 acres of Crown Lands set apart for Common School purposes. All the moneys that might arise from the sale of those lands were to go into a fund, to be called and known as the Common School Fund, and as paid in, should be invested, and the proceeds arising from such investment were to go into the same general fund until the interest on it amounted to \$400,000 per annum. That was the origin of the Common School Fund. The origin of the Grammar School Fund was in a land appropriation before the Union. And if honourable gentlemen will reflect they will see that when we come to a division of assets with Quebec we shall, in any event, only have to divide one of the special funds to which I have referred, and that is the Common School Fund of the late Province of Canada; and I say, as that was all Upper Canada land, and as Quebec never gave one dollar arising from her territory towards it, that I am inclined to reason in this way. The fund represents the land; and as the land is handed over by the British North America Act, and as the Common Schools in Lower Canada as well as Upper Canada were supported alike out of the common revenues of the whole Province, this Common School Fund all the time remaining intact. Now that we have dissolved partnership, the money arising from these lands ought to stand in the place of and represent the lands themselves, and ought to belong to the Province of Ontario. But against this there is the solemn declaration of an Act of Parliament declaring that these lands were set apart to produce a fund for the Common Schools of then united Canada, raising a legal barrier to a contrary disposition of the lands and the fund difficult to surmount. It must therefore be reserved for the arbitrators to deal with and settle this question; and when I assume that Quebec will be entitled to four-ninths, and we five-ninths of the Common School lands and fund realized, I by no means give up the argument, but hold, that, now that we are in a new state of political existence, we ought to get back that which was always our own, and in which we gave Quebec a share, only on the supposition and condition that Upper and Lower Canada were to remain and continue one United Canada in perpetuity. I have already stated, and repeat it, that in the appropriations from year to year for Grammar Schools and Common Schools no reference was had to these last named funds at all. The amount given the schools was taken out of the Consolidated Revenue Fund, and the special funds were never kept separate except on paper. It was simply a fund in the ledger and nothing more; and when we come to make up the debt of the late Province of Canada we have to take into account that that Province owed this money, and that it increases her debt by the amount of these special funds. In ascertaining the debt of the late Province of Canada,

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the true inquiry is : How much does the late Province of Canada owe third parties ? We know it owes \$62,734,797.63 direct debt—and besides several other debts, we know it owes us about \$3,000,000 on our own trust funds, and various other moneys ; but how much the exact debt of the late Province is, can only be assumed as yet, as no definite conclusion upon the subject has yet been arrived at by the Governments at Ottawa, Quebec and Ontario. I have, therefore, assumed the excess to be as I have mentioned. Mr. Speaker, assuming the excess of debt to be \$9,500,000, I think I may congratulate the House and the country, that, notwithstanding the prophecies of Hon. gentlemen opposite to the contrary, my expectation and anticipation last session, that there would be a surplus of \$500,000 on the 31st December this year, will be more than realised. (Hear, hear.) *Money is money. With the cash in hand my statements cannot be doubted;* and I would call attention to this fact, which cannot be gainsaid or controverted. *I have the sum of \$850,000, in hard cash, invested.* I have paid all the liabilities of the Government, satisfied every appropriation, and have this large surplus of cash in hand. I do not assume that we will have such a surplus ; but we have it. I can point to an investment of half a million dollars in Dominion debentures, purchased at 98, and now worth 106, bearing 6 per cent. interest ; and I can show a further investment of \$350,000 in Dominion stock, bearing 6 per cent. interest. This stock was purchased at 101, and is now worth 105. The Province has been a gainer on these two transactions alone, if they wished to realise, of between \$40,000 and \$50,000 in premiums, over and above all interest. These investments are not dormant, but living investments, one bringing in \$15,000 every half year, and the other \$10,500. (Cheers.) It is hardly worth while to contrast these investments with that suggested by hon. gentlemen opposite, who would have had us believe last session that we had better invest our surplus funds (if we had any, which they denied) by depositing them in banks, where they would only draw 3 or 4 per cent. We are not merely getting a higher rate for our present investments, but the interest is paid promptly, to the very day, and the principal is available for general purposes at any moment. I think the Government determined wisely for the public interests in making such investments. I think it would have been open to censure had it allowed all this money to lie idle because matters were undecided in reference to the division of property between Quebec and Ontario. The Government resolved to put the money in the way of paying the highest interest consistent with the greatest possible security. (Hear.) There is another matter to be noticed in connection with these investments. If hon. gentlemen will try the experiment they will find very few banks willing to pay even 4 per cent., unless the money were left with them a definite period of time. When you place money in a bank in this way you give them the right to use it, and should their investments prove unfortunate you might lose the principal altogether. Men who have studied finance dur-

ing their whole lives say that it is not wise for a Government to invest its funds in banks and allow these institutions the use of the money. Mr. McCulloch, among others, lays down this principle, and there is no sounder writer on finance. In England, I believe, the Government never invests its funds in banks. (Hear, hear). I come now to take up the estimates for the coming year. The total estimate last year amounted to \$1,352,677.42. This year it is \$1,597,789.85.

MR. LOUNT—Does that include the additional estimates ?

HON. MR. WOOD—All. I will now, if Hon. gentlemen will follow me, take up the estimates and go rapidly through them. First, there is the item of the Lieutenant-Governor's Office. It remains the same as the current year. Next, there is the item for the Executive Council Office, It is less by \$600 than current year. Then there is the Attorney-General's Office. It is less by \$2,400 than the current year. In current year's estimates, I may mention, were some arrears which, in the main, accounts for these differences. The Treasury Department is less by \$153.29, apparently, though it is actually greater by about \$250. The Auditor's salary is increased by \$200, and of course Hon. gentlemen will have an opportunity of pronouncing on this increase, and saying whether or not in their judgment his responsible duties entitled him to the advance. Among the other clerks two get a slight increase. I have taken a person temporarily from the Crown Lands as accountant, and he is becoming very conversant with the books and gives every satisfaction. I have only the five persons mentioned in the estimate to discharge all the duties of the office—duties very onerous and responsible—duties of such a nature as to involve the saving or losing in that office of very great sums of money. (Hear, hear). Two persons, I might mention, were in the late Province of Canada employed to audit the criminal accounts alone, a work which is now done by Mr. Mathews, in conjunction with all his other numerous duties. Some idea of the labour of the office in this respect may be formed when I state that six times a year long and voluminous criminal justice accounts are sent in from all the 36 counties in the Province, and these have to be scrutinised with the utmost caution. The next item is for the Secretary and Registrar's Office, which is less by \$1,110. The item for the Department of Agriculture and Public Works is less by \$1,700. The Crown Lands Department is less than the current year by \$2,320, and the total for Civil Government is less than the current year by \$31,582.29. The contingencies are less than the current year by \$23,299, and it occurs in this way : Last session, as the leader of the Government mentioned, we were obliged to speculate on contingencies ; and taking as a guide the amount expended under contingencies in the departments of the late Province of Canada, we made up an estimate of contingencies, stating that after a year's trial we would be able to come down to the House with some more definite statement. We asked for less than usual for this service, but the year's trial has shown us that we still got too much by over

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\$23,299. In future the contingencies of the various departments will be based on the actual experience of the preceding year. The Crown Lands expenditure varies from current years estimates in some particulars. The salaries and expenses of travelling agents is increased \$2,500. In explanation of the item "refunds, \$10,000," under the Crown Lands head, I may state that it occurs in this way. A person goes to the Crown Lands office, or any of its agents, and says I want to purchase lot so-and-so, and make a payment thereon. It may be that some one has a claim on that lot, that there is a settler on it, or that some other person has made a payment on it at some of the other agencies. There may be numerous difficulties or insuperable objections in the way of his securing that land. The money he has paid on it has been paid into the hands of the fiscal agent of the Province, and is by him placed to the credit of the Treasurer, but in the Crown Lands books to "suspense account." If the applicant gets the land, the sum he has paid thereon is taken out of suspense account and passes to revenue. Should it turn out that this person does not get the lot, then, of course, the money is refunded. Hence "refunds." It might be supposed that the Crown Lands department, or its agents, had power to receive money on account of their sales and hold it in suspense. But that is not the case. There is a rule of the department preventing any of its officers receiving money on account of sales under any circumstances. The money must in all cases be paid into the hands of the fiscal agent of the Government. And the regulation is an excellent one. Under it we will avoid the possibility of any such item appearing in the Public Accounts as \$253,000 for defalcations of agents, as in the Public Accounts of the late Province of Canada. In this way, it will be seen by the Public Accounts of the late Province of Canada, the large sum I have named has been lost to the public. The Crown Lands Department having no money it can handle, has, of course, to estimate for all the service, and therefore for these "Refunds." Surveys are put down at \$50,000, being an increase of \$20,000. The Mining Bill has already informed Hon. gentlemen that surveys are to be made in two or three localities on the North Shore of Lake Superior, and the intention is to make other surveys in other localities in which we expect to find reasonably good land for agricultural purposes. The item "Less Commission on Clergy and School Services, \$50,170," is, I may explain, merely a matter of book-keeping, and arises in this way: on all these special funds, on the Common School, the Grammar School and Clergy lands, 20 per cent. is deducted for expenses of management and agencies. That was always done by the late Province of Canada, and the Crown Lands Commissioner pursues the same course still. Of course, the House understands that no payment is made to anybody. It is merely taken out of these special funds and carried to the general revenue of the Province. Here it is put in as reducing part of the expenses, but it is a mere matter of book-keeping, the real result being that the Province gets the amount, \$50,170, out of the special funds for management, &c., which goes to the general

revenues of the Province. As to the management of the Crown Lands Department, I will say that if there is any one subject which nearly every one thinks himself competent to deal with, it is this. For myself I do not profess to know *all* about it; but as I can gather public opinion, as expressed during the recent elections and in this House, I believe the people of the country will be satisfied if the unsurveyed Crown Land domain yields no revenue at all—provided its settlement is thereby effectually secured. (Cheers.) Just in the line of public opinion on this question, has been the action of the Government. We have gone as far as was prudent in our expenditure for surveying lands, opening up roads, introducing settlers, and turning the wilds of the Province into a habitable region, to be filled by an honest, thrifty, hardy yeomanry. (Cheers.) Some degree of caution must, we felt, be exercised in order to prevent us going too fast. We have made provision for immigration to the extent of \$10,000, a sum we think quite large enough at present. And in reference to this whole subject of immigration, I may here remark that I have permission to state the result of the conference that took place at Ottawa on this subject. The statement I make is not official, but as the matter is no secret, I have no objection to put the House in possession of what I know on the subject. The main features of the scheme, informally agreed to at Ottawa, are, that the Dominion Government will recommend an appropriation in regard to immigration, for the purpose of keeping up offices at Quebec, Montreal, Halifax, Miramichi, and, if necessary at St. John, N. B.; and in this Province at Kingston, Toronto and Hamilton. The Dominion will open a central office in the city of London, England, in preference to Liverpool, and will also open offices, on the Continent at Bremen and the other principal centres of population, and will bear the expense of all these offices. In furtherance of this plan, the Provincial Governments will state officially what advantages they propose to offer to immigrants, what land they have, its quality and adaptation for settlement, and on what terms immigrants can obtain it; give in fact, all the information in their power to these agents, and if needs be, supplement these instrumentalities by agents and additional efforts of their own. But there is to be concerted action in all that is done. The immigrant will receive the fullest and most reliable information. He will not be told one thing before departure and find out that it is quite a different thing when he gets here. This is an outline of the conference, and with the view of aiding in that scheme, the Government now comes down and asks for a vote of \$10,000. The sum is small, but the Government does not need a larger one. In a pecuniary or revenue point of view it is the Dominion as a whole which is *chiefly* interested in immigration. These immigrants will add nothing *directly* to the revenues of Ontario; but in the consumption of all custom and exciseable goods they will contribute directly to the revenues of the Dominion. Therefore the Dominion as a whole should contribute the chief expense of immigration. And when we recollect that the Dominion aside from

Crown Lands which nearly is this. For I can gather ns and in this d if the unsur— provided its st in the line of e Government. for surveying ing the wilds of honest, thrifty, must, we felt, be have made pro— we think quite hole subject of to state the re- his subject. The no secret, I have I know on the ly agreed to at mment an appro- keeping up offices ssary at St. John, o and Hamilton. London, England, n the Continent at s, and will bear the s plan, the Provin- ges they propose to and adaptation for it; give in fact, all if needs be, supple- onal efforts of their that is done. The nformation. He will ut that it is quite a ne of the conference, vernment now comes n is small, but the eciuniary or revenue a is chiefly interested directly to the revenues and excisable goods e Dominion. There- the chief expense of Dominion aside from

immigration is obliged to keep up quarantine establishments at its principal seaport towns and cities, no very great additional outlay will be incurred in maintaining in the Dominion the several immigrant offices and agencies I have mentioned.

HON. MR. McMURRICH—Is this \$10,000 to be in addition to the money to be spent by the Dominion Government?

HON. MR. WOOD—Yes. But it is not to be under its control, but is to be controlled by us.

HON. MR. McMURRICH—If my memory serves me, the sum of \$36,000 was appropriated last year by the Dominion Government for immigration.

ATTORNEY-GENERAL MACDONALD—For quarantine and immigration.

HON. MR. WOOD—The sum appropriated for 1868-69, under the head "immigration and quarantine," was \$36,808.

HON. MR. McMURRICH—Can you tell how much of this was spent in Ontario last season?

HON. MR. WOOD—I cannot tell that yet, as a matter of course, for the public accounts of the Dominion for the year 1868-69 have not yet been published. But this \$10,000 we ask the Legislature to vote now is not to be given to the Dominion, or any of the agents of the Dominion. It is to be spent by ourselves, either in assisting persons who may immigrate to this Province to establish themselves on the unsettled lands of the Crown, or inducing persons to come here, or in both ways, and also in any other way which circumstances may show will be conducive to the object we all have in view—the filling up of the unoccupied lands with a hardy race of settlers. (Hear, hear.) There is no one who has been long in public life, but must have seen that, in connection with the matter of immigration, there has been a great deal of public money squandered away. With a very considerable expenditure of money, it has brought in no immigration to speak of, and of those it has brought, a large proportion have been unacquainted with the circumstances of the country, and incompetent to earn a successful living in it. But it is hardly fair to censure the Government, for the fact that so many immigrants pass through Canada to the West, as if it were to blame for not offering sufficient inducements to these people to settle in this country. It has been the custom to take up the immigrant returns—which, by the way, are very unreliable in all respects—and point out how many immigrants have landed at Quebec, Portland, and Montreal, and what a large proportion of them have passed on through this country to the States, and how few have settled in Canada—and from all this, to draw the inference that we do not get these people to settle here, because the Government does not hold out sufficient inducements for them to do so. Now every one who has observed how settlements have been built up in the West by settlers

from England, Ireland, Scotland, Norway, and different parts of Germany, &c., will be able to detect the transparent fallacy of this reasoning. In the first place, a few families go into one of the States together. They send letters home, setting forth the advantages of the country to which they have come, and these induce large numbers in their old neighborhood to follow them. When those persons, therefore, arrive here, they are not like persons not knowing where they are going—they are going to join those with whom they have been associated from their youth. Their coming through Canada is only in consequence of the inducements held out by rival carrier companies. As regards their final destination, they have that as certainly fixed before them when they leave home, as when they reach the end of their journey. The argument, therefore, which I have heard used in this House and elsewhere, that a great many immigrants pass through this country to the West, in consequence of our not offering proper inducements to them to stop here, is hardly worth noticing.

HON. MR. McMURRICH was understood to say that it was charged against the Government, that it sometimes paid the passage of these people through Canada to the West.

HON. MR. WOOD—If it were possible to impose on the ship owner or carrier the responsibility of paying the expenses of any passenger by his vessel, who required to be put into hospital at Quebec, and who had not the means of reaching his destination, perhaps it might be right to do so. But sometimes cases will arise, to which it is impossible for us, in common humanity, to close our eyes. In such a case surely the person cannot be left to die, and, perhaps, the best thing the Government can do, if that person has friends in the West, is to pay the expenses of his passage. Isolated cases of this kind may arise, but such a thing of course should not be done as a general rule. I have heard it said that some of these people have been told that when they arrived at Quebec our Government would pay their passage on westwards. If from any cause the Government were obliged to do so, I think it might be in a position to claim indemnity from the Government of the United States. But I fancy but few instances of this kind under proper regulations will occur. It should be the effort of the Government to induce every one possible to stay in the country and to make it his home. I come now to the item of \$50,000 for colonisation road construction and repairs. The same amount was voted for this service last session. It had been intended that this expenditure should have been taken charge of by the Public Works Department; but experience shewed that it could be best managed in connection with the Crown Lands, and before that Department was in a position to settle a well-matured plan for the expenditure, some portion of the season had passed by reason of which there remains unexpended of the current year's appropriation \$13,097.85. The Commissioner intends in the coming season to prosecute the repair and opening up of

these roads with all the vigour and all the success he can possibly bring to bear, at the same time husbanding to the utmost extent the means placed at his disposal for this purpose. The next item is Legislation, \$57,825—which is \$44,125 less than the estimate of last session. In that estimate, however, were included the expenses of two sessions. The estimate now submitted, when analysed, will be found to yield the following results: Law Clerk, arrears, 1868, \$1,000; do, 1869, \$1,000; this is an increase on the last estimate. First Office Clerk, Clerk of Routine and Records, &c., are the same. Three messengers, fireman, night watchman—these involve an increase of \$1,825. On the other hand, under the head "Sessional writers, messengers, and pages, \$2,000," there is a decrease of \$4,000. Postages and cost of House Post Office, \$1,500—\$2,500 less. Stationery, including Printing Paper, Printing and Binding, \$5,000—\$5,000 less. Printing, Binding and distributing the Statutes, \$3,500—\$4,000 less. Expenses of Elections, \$1,000—\$1,500 less. If all these items are footed up it will be seen that the estimate for one session is somewhat less than half the estimate of the current year for two sessions. The next head is Administration of Justice. The estimate for Criminal Justice is less. Crown Counsel, Criminal Prosecutions are estimated at \$10,000, being \$4,950 less than last session. Administration of Criminal Justice estimated at \$117,000, is less by \$15,539 than the estimate of last session. Under the head of "Miscellaneous Justice," the estimates for Deputy Clerks of the Crown and Pleas is \$12,100, being \$400 greater than the last estimate, which was found, on reckoning up the number of these officers, not to be quite sufficient. They are paid by salaries of from \$300 to \$400, and to make those payments requires, as I have stated, \$12,100. To meet expenses of Administration of Justice in the Districts of Algoma, Nipissing, and Muskoka, and other services, \$17,900. This is less by \$226, but includes several items not estimated for last year. Then the Government has made some special estimates to meet expenses in respect of the Kingston murder, \$712.82, being expenses incurred in apprehending the murderer, Driscoll; in respect of the Newbecker murder, Bruce, \$459.36; Benson Forgery, London, \$65.69. The item of contingencies under this head is the same as last Session. Under the head of Public Works and Buildings is the chief increase. The first item is Government Buildings, for repairs, insurance, furniture, and other expenses, \$25,000. The House will pardon me for not going just now into the details of this expenditure, they can be better gone into in Committee. I may mention, however, that it includes an item of \$2,000 for insurance. There is a difference of opinion on the question, whether the Government ought to be its own insurer on all public buildings, or whether it ought to insure with Insurance Companies. These Companies, of course, make large profits from those who insure with them, or they would not be able to erect such fine buildings, to give salaries to so many agents, and to pay such large dividends on their stock. And as the Government has a good many expensive buildings, it comes

to be a question whether it might not save money in the end by being its own insurer. It would certainly seem reasonable to say that any money advanced by the Province should produce some return and add something to the wealth of the country, which cannot be said of money spent in this way. Then there is an item—Government House, completing Lieutenant-Governor's residence, including out-buildings, furniture, fencing and laying out grounds, \$60,000. As I have already remarked, there is a balance of \$22,322.26 unexpended of the \$50,000 voted for this purpose last Session. And on the principle that we are not to continue the vicious system of carrying over appropriations from one year to another, we must ask now for that appropriation to be renewed, so that we may be able to accomplish all that was intended to be done by the \$50,000 voted last Session, and the appropriation to be made this Session.

MR. BLAKE—You are in reality asking now for \$82,000 on this account?

HON. MR. WOOD—We are really asking \$110,000 altogether to complete the building and everything connected with it. Along with this \$60,000, we ask, in what are called the supplementary estimates, for a renewal of the unexpended balance of \$22,322.26. I may remark, with regard to this building, that, plans and specifications having been prepared, the contract was given out to public tender. If Hon. gentlemen will examine the tenders, they will see that the Government accepted the lowest that was put in; and it would have come just about within the estimate—allowing for the value of the old building, which was sold, and which was taken into consideration when the estimate was made—but for a change that was made with reference to the roof. It was thought better to have a metal roof, instead of one of felt, as was originally intended; and this brings the cost of the building to \$60,000, while the tender was for something over \$57,000. We are going to try to set an example for once in the world of putting up a building on contract, without an extra—(hear, hear)—for even this change in the roofing was embraced in the contract. The architect has given no orders for any variation whatever from the plans. We shall have no adjustment of extras and omissions, and shall keep the amount strictly within the contract. (Hear, hear). The estimate, I may mention, covers the putting up of stabling, about \$8,000. It also covers the laying out of the grounds, the making of some fencing—in fact the completion of everything. In addition to this, it includes the entire furniture to be put in the building. I have the particulars but I need not go over them in detail. They come down even to the wash-hand stands, and all that sort of thing. Then there is \$2,500 for the Lieutenant Governor's residence—rent, fuel, &c., for the Lieutenant Governor's present residence. We are bound to furnish a residence for the Lieutenant-Governor, and having allowed \$2,500 for rent, &c., for the

distinguished gentleman who was our first Governor, we thought it right to make the same allowance for the gentleman who now fills the office.

ATTY GENERAL MACDONALD—It includes water, gas, fuel, taxes and everything.

HON. MR. WOOD—The next item is Provincial Lunatic Asylum, Toronto, completing new wings, \$75,000. There was a vote for the same purpose last session of \$75,000, of which it is estimated there will be unexpended on the 31st December, \$8,703.27. The contracts for these wings were let by the Government of the late Province of Canada. There are several contractors—one having the brick work and foundations, another the plastering, another the roofing, and so on. It is computed that the building when completed, will cost per contract, \$192,000, all told.

ATTY. GEN. MACDONALD—The Government of the late Province of Canada gave out these contracts.

HON. MR. WOOD—For which, of course, this Government is not responsible. We were bound to continue the contracts, and some of them have turned out not to be very profitable—not even for some of the contractors themselves. That is a misfortune for which we are not responsible. It may be that the cost is excessive, because of its having been put beside, and erected on the same principle as the main buildings the cost of which, I suppose, has been something like a million of money. Putting in the foundations—I am now speaking of the main buildings of the Lunatic Asylum—cost \$60,000; and it cost another \$60,000 for drainage. The walls of these wings were contracted for, and partially erected, when we came into office, with a thickness of three feet for the main walls, and eighteen inches for the partition walls. The whole thing was done on an unnecessarily expensive scale.

ATTORNEY-GENERAL MACDONALD—On the report of the Prison Inspectors.

HON. MR. WOOD—This had been done, and money expended to the amount of \$75,000 by the Government of the late Province of Canada, and we are merely going on completing it. It is computed that the \$75,000, now asked for, will complete the wings.

MR. BLAKE—What will be the total cost of the wings when completed?

HON. MR. CARLING—Somewhere between \$190,000 and \$200,000. The contract is for \$192,000.

HON. MR. WOOD—In all probability they will not be completed for the sum in the contract. The contractors for the brick-work, Messrs. Worthington & Co., are not in a condition to complete the work at the prices they contracted for. They say that the cost of labor and materials has gone up so much that they cannot do the work at the price. But

the amount of work they have yet to do is comparatively small, not involving probably over \$25,000, so that, if we have to pay an increased price on that amount, it cannot be very much. The Commissioner of Public Works thinks that, with great care, this \$75,000 will be sufficient to complete the wings. The next item is additional asylum accommodation for lunatics, \$100,000. I have before me a statement from the Inspector of Prisons and Asylums, Mr. Langmuir, on the subject of the additional asylum accommodation required. The total number of lunatics now in the Province, according to the estimate of Dr. Workman, is something like 4,000. Mr. Langmuir thinks this estimate rather too high, but that it would be safe to reckon the number of persons in the Province who would be fit subjects for a Lunatic Asylum, at 2,500. Now, as regards the present accommodation, there are at present at Malden, 239; in the Provincial Asylum, and its branch in Toronto, 520; in the Orillia Asylum, 120; the total number in these three establishments being 879. Rockwood can accommodate about 125, and the number actually sent there is 60, which, added to the other figures, makes a total of 939 lunatics actually accommodated. Mr. Langmuir says that there are at present applications for admission for 407 patients; that there are at least 200 cases for which no application has been made, from the knowledge that there is no room; that by the law of natural increase there will be 250 more cases before additional asylum accommodation can be provided, and that Malden, which can accommodate 244 patients, must, by that time be vacated, or a very large amount of money expended to make it habitable; total new accommodation required, 1101. On the other hand, the Provincial Asylum, when the wings are completed, will accommodate 140 more patients than are now contained in the Asylum and Branch, the Branch being then vacated; Rockwood can take in its present state 125. These figures, together, make an additional accommodation of 265, which, deducted from the required accommodation of 1101 leaves, according to Mr. Langmuir's estimate, 836 still unprovided for. I understand that in this country hitherto, asylum accommodation has cost at the rate of about \$1,000 per patient, as regards the erection of the buildings. In the United States in some places it has cost more; in other places, and I may instance New Jersey particularly, as regards some of the later constructions, it has cost less. From the very best estimate I have been able to form, I believe that a sufficient building could be constructed at a cost of \$500 per patient. The building from which this appropriation is asked, and which may be considered a complete building in itself, although additions may afterwards be made to it, will cost \$100,000, and at \$500 per patient, will accommodate 200 persons. I may remark that it is undesirable, in my judgment, from all the information I have been able to collect on the subject, that too many lunatics should be assembled in the same building. There is no doubt too that there is an advantage from another point of view, with reference to classification in having more buildings than one. And as regards constructing these buildings on a more economical principle, it has been found that for a

large class of patients, an associated dormitory may be used with great success, whereas in the construction of the wings of the Provincial Asylum, and in the construction of Asylums in other countries, until recently, provision has been made for the separate sleeping accommodation of lunatics. Of course there will always be a class of lunatics who cannot with safety be put in an associated dormitory, but the principle of having a common or associated dormitory, if it can be carried out, and Mr. Langmuir thinks it can, to a great extent, would certainly lessen greatly the expenses of construction. But in any case the duty and obligation of providing additional Asylum accommodation presses on the Government with so much force that it cannot resist it. I venture to say there is not a member of this House who could not tell us, "there has been application made for such and such a person in my neighbourhood to be admitted to the Lunatic Asylum, and the application has been refused for want of sufficient accommodation." (Hear, hear). If then we have the means of doing it, I ask you and the members of this House if there is not a solemn obligation resting upon us, to take this matter in hand, and take steps for providing additional Asylum accommodation for those unfortunate lunatics scattered all over the country, for whom, at present, there is no provision made. To meet this urgent want the Government asks at this time for an appropriation of \$100,000. I may be asked, where are your plans and specifications, and what sort of a structure do you propose to put up? I answer that the Government propose to put up a building which can be erected for \$100,000.

MR. McKELLAR—Where?

HON. MR. WOOD—I suppose somewhere about Chatham, where the hon. member resides. I fancy that would be a good locality. (Laughter). The Government propose to put up for that sum, without any extras, a building which shall accommodate 200 lunatics, a plain and substantial erection, without any needless ornamentation, without any of that ginger-bread work which costs a good deal without doing any very material good. I have nothing to say against ornamental buildings, exhibiting the highest degree of architectural taste, where circumstances require and warrant structures of that class. But for the requirements of lunatics I think a plain structure, which is at once commodious and comfortable, will answer the purpose quite as well as a building of highly ornamented and costly exterior. At any rate we do not propose to build walls three feet thick, nor partition walls of 18 inches; we consider 18 inches for the outer walls and 9 inches for the inner walls will be sufficient. This is considered sufficient for all other structures in the country. The building will be constructed in a plain and substantial manner, purposely for the accommodation of lunatics, so as to secure the comfort of the inmates, and at the same time be as small a drain as possible on the Treasury of the Province. The next item is, Deaf and Dumb Institution, \$75,000. I suppose the hon. member for Hamilton

would like to know where that is to be constructed. (Laughter). It is not stated here where it is to be. (Hear, hear). Over and over again, in this Province, the Government has been reminded that no public provision has been made for that unfortunate class; and I do not think I need lose time in urging the House to a favourable consideration of this item. Such an Institution we certainly ought to have—it is almost a disgrace to us that we have not turned our attention to it before.

MR. WILLIAMS (Hamilton)—There are four plans of a Deaf and Dumb Asylum exhibited in one of the Committee-rooms. Has the Government accepted one of those plans?

HON. MR. WOOD—Certainly not. Those plans have been sent in, and are our property.

ATTORNEY-GENERAL MACDONALD—They are under consideration.

HON. MR. WOOD—Yes; they are under consideration. I come now to the item, improving navigation of inland waters, and surveys and drainage of lands, \$100,000. A portion of that money is to be expended on certain lakes, and their connections, out in the Muskoka region, and back of Peterborough and Lindsay. It is intended to build locks, and remove obstructions, for the purpose of improving the navigation through the northern territory.

MR. BLAKE—What are the lakes?

HON. MR. WOOD—There are two locks to be built, and several lakes which by the construction of these locks, can be made navigable.

It being now six o'clock, the Speaker left the chair. At half-past seven

HON. MR. WOOD resumed his remarks. He said: Mr. Speaker, when you left the chair, I was remarking on the estimate for the improvement of inland navigation, and surveys and drainage of the swamp lands of the Province. In the Muskoka District there are Lakes Muskoka and Rosseau, back of Peterborough and Lindsay there are Balsam, Cameron and Clear lakes. Lake Rosseau, taking the average of water during the season of navigation, is between three and four feet higher than Lake Muskoka. These lakes are connected by a stream called the Rosseau river which, by its course, is about a mile in length. This river bends around a neck of land composed of granite, at a place called Indian village, and on the course of the river navigation is interrupted for about a quarter of a mile by rapids, the river falling between three and four feet. The distance across the neck of land where it is proposed to construct the lock is about two hundred feet. In making this river navigable from Lake Rosseau to Lake Muskoka, in addition to constructing the lock I have mentioned, it is also proposed to construct a dam across the river to maintain the water in Lake Rosseau at a uniform level, so as to regulate the depth of water on the upper sill of the lock. It is estimated that these works will cost about \$35,000.

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This will make a continuous navigation, in the heart of a fine agricultural country, of forty miles—it being from Gravenhurst, the most southern point of Lake Muskoka to the Indian village twenty-four miles, and from the Indian village on the southern limit of Lake Rosseau to the head or northern portion of Lake Rosseau, sixteen miles, and this latter point is within two miles of the junction of the Parry Sound and Lake Nipissing Colonization roads, only 22 miles from Parry Sound. The Lake Nipissing road has been partially constructed, and an inconsiderable sum would make it passable all the way from the head of Lake Rosseau to Lake Nipissing, a distance of 67 miles. The importance of this improvement I understand was brought under the notice of the Government of the late Province of Canada, and that they sent engineers out who made a survey of the locality, and an estimate of the cost of the work which were officially reported to the office of Public Works, and have been obtained thence by the Public Works Department here. It is upon these that the present estimate has been based. The next improvement is the proposed lock at Clear Lake, which is situate in the County of Peterborough, about 15 miles north of the Town of Peterborough, and 100 miles east of Muskoka Lake, on the Otonabee River. The Otonabee River connects Clear Lake with Rice Lake, and the outlet of Rice Lake is the River Trent, which empties into Lake Ontario. The Otonabee River is navigable between Peterborough and Rice Lake. Between Peterborough and Lakefield, on the Otonabee River, a distance of about 10 miles, the extension of the Mill-brooke branch of the Port Hope, L. and B. Railway has recently been constructed. To make navigation from Lakefield to the north-east end of Stony Lake, an extension of Clear Lake, it is necessary to construct a lock on the Otonabee River at Young's Point, 5 miles north of Lakefield, which, from Lakefield, will give navigation, in a right line, of 20 miles, besides an arm of Stony Lake, a distance of about 10 miles to Burleigh Falls, which connects at that point with the Burleigh Colonization Road. In and around these lakes are ten surveyed townships, which are represented as most excellent lands. The Province, therefore, has a deep interest in opening up this thoroughfare. Engineers of the late Province, and of the Port Hope, L. and B. R., have surveyed and taken the levels, and the Engineer of the Department here has examined the site, and revised the estimate, and has reported that \$30,000 will be sufficient to complete the improvement. The third improvement is making Balsam River navigable, which connects Balsam and Cameron Lakes. The Engineers of the Public Works Department, of the late Province of Canada, also surveyed and took the levels of the proposed improvement. The Engineer of the Public Works Department here has also examined the locality, and the report made to the Public Works Department at Ottawa, and estimates that it can be completed for about \$20,000. The Engineer proposes to accomplish the end aimed at as follows: By raising the dam at Fenelon Falls about two feet, which will bring Cameron

and Balsam Lakes on a level, and excavating the chanrel of Balsam River. This improvement accomplished, the navigation will extend from Fenelon Falls to Cobocok, on the Gull River, a distance of 10½ miles, to a point which is proposed as the present terminus of the Toronto and Nipissing Railway. Another arm of Balsam Lake extends about 10 miles to what is called South Bay—the proposed terminus of a branch of the Port Hope, L. and B. Railway. The lands surrounding Cameron and Balsam Lakes are represented as excellent, and principally Crown Lands. Some portions, however, have been occupied for some years, but the difficulty of access and egress has prevented the rapid growth of the settlements. Then as to the surveys of swamp lands, I learn from the Crown Lands Department that there are about a million acres of marsh lands in Ontario; some being situated in Perth, some in Bruce, some in Essex, some in Kent, some in Lambton, some in Prescott and Russell, some in other parts of the Province, but chiefly situated in the counties I have mentioned. These, I believe, constitute the very best lands we have in Ontario, if they were properly drained; and it is of the highest public importance that they should be utilized and made productive. A portion of them have been sold to individuals, and I am told that a large proportion of these have been sold for taxes. They are of course unproductive, useless, and worthless, in their present condition, while in many cases a small outlay would reclaim what are absolutely swamps, and convert them into the very best lands we have in the Province. And it would surely be worth the expense to try the experiment of drainage on some of those swamps. Of course as a large portion of these tracts of swamp lands belongs to private individuals, if any general system of drainage were undertaken a tax would have to be imposed upon lands in the hands of private parties, to make them contribute their fair share to the cost of improving these lands; for what is not worth now half a dollar per acre, might be worth \$10 or \$15 per acre, after the drainage was effected. Of course the Crown Lands also would increase greatly in value. Those which are now lying unsaleable in the hands of the Crown, after being reclaimed by this drainage would yield a considerable revenue; and the settlement of the country, and therefore its prosperity, would be promoted; for every man who raises a bushel of wheat adds, to the extent of its value, to the general wealth of the Province.

MR. BLAKE—I understand the balance of the \$100,000. after what is expended on improving the navigation of inland waters, is to be expended on surveys and drainage of these swamp lands.

HON. MR. WOOD—Yes, the \$15,000 which remain.

MR. BLAKE—In surveys or in drainage.

HON. MR. WOOD—I understand it is to be devoted to the purpose of surveys and drainage. Of course such a sum would go but a very little way towards the drainage of all these lands after paying the expenses of survey. But before we ask the House to expend any con-

siderable sum in drainage, we shall be prepared with plans and specifications, and will shew precisely what the work will cost. This we are not prepared to do just now. But already the Commissioner of Public Works, who is also deeply interested in the agricultural development of the country, has had some of these swamps surveyed, and a report on the results will be made to the House. Perhaps, however, he did not select the most favourable place for making a commencement. Selecting a spot which happened to be not very far from his own home, he went up into the region of the hon. member for Bothwell, where he could have that hon. gentleman's countenance, and commenced operations there. (Hear, hear, and laughter).—The estimate for Agriculture is precisely the same as last Session, with the exception of an addition of \$2,000 for Mechanics' Institutes. The whole vote for Mechanics' Institutes last year was \$2,000, it is now \$4,000. I may remark, however, that some of the Mechanics' Institutes did not avail themselves of their share of the appropriation, neglecting to raise a corresponding amount themselves, and that thus a portion of the appropriation lapsed. I come now to the head of "Miscellaneous." Salary of Inspector of Prisons. \$2,000; Expenses of do, \$500; this is less by \$500 than last Session. Cost of *Official Gazette*, \$3,000; that is \$1,000 less. There is an item, "Expenses of Arbitration," \$1,000, which was not provided for last Session. Salary of Inspector of Registry Offices, \$2,000, the same as last Session. Then there is an item of \$20,000, to cover gratuities to public officers whose services may be dispensed with. It is in contemplation—and in order that it may take place this vote is asked from the House—to dispense with the services of persons who, through age, infirmities, or otherwise, have become incompetent to discharge the duties of the places they occupy, and with regard to whom it has been found absolutely necessary in some cases to put in their places persons who are competent, while in other cases the positions they fill may be dispensed with altogether. It has been suggested that the Government had some different purpose in view in inserting this item among the estimates. If that be so, it has not come to my knowledge. The changes contemplated are chiefly in connection with the Crown Lands Department. I think it will be admitted with regard to persons who have been 25, 30, or 40 years in the Crown Lands Department, who have grown grey in the service of the Department, that we cannot send them away without giving them something. Each particular case will be considered on its own merits and dealt with accordingly. We propose not to pension these parties, but to give them a gross sum in hand, of such amount that it will be considered we have dealt fairly and honourably by them. Of course it must be left to the Government to deal with each particular case according to its own judgment and discretion. This power must be placed somewhere, and I do not know where else it could be placed than in the hands of the Government; the House certainly could not undertake to deal with individual cases. The next item is—To aid the destitute Colonists of the Red River

Settlement, in the discretion of the Government, not to exceed \$5,000. This is a new item.

MR. BLAKE—It ought to have been an old one.

HON. MR. WOOD—The information in possession of the Government was, that the contributions flowing in that direction, from private sources, were for the present sufficient to meet the emergency: and its idea was, that this public aid would best come in, when the season was somewhat advanced, but still long before the settlers would be in a position to raise anything from the soil. The next item I will notice is Provincial Lunatic Asylum and branch, \$76,300—this is \$990 less than last year's estimate.

MR. BLAKE—There is a new item under the head of Hospitals and Charities—aid to General and Marine Hospital, St. Catharines, \$1,000.

HON. MR. WOOD—True; that is a new item. This is a Hospital situated at a point where seamen from all parts of the Province are likely to congregate, and where many are left objects of charity, being disabled by accidents or disease. And the Government thought it unfair that St. Catharines, while bound like all other towns to sustain its own poor and destitute sick, should also be called upon to extend unaided its charity to a large extent to those who were strangers to the town. I understand that there are at this moment in that Hospital some 29 patients, having no connection with the town, but who are nevertheless supported by the tax-payers of St. Catharines. The sum proposed to be voted is very small; perhaps it ought to have been larger. This is the only increase under the head of "Hospital and Charity Grants." I may remark that the Government has a very strong desire to do all it possibly can in aid of the destitute, and generally the class of persons for whose benefit these votes are asked. There seemed strong reasons for making additions to them, and including certain other institutions, but it was the opinion of the Government, after fully considering the matter, that any such change had better be deferred until a thorough examination could be had of all these institutions by the Inspector of Prisons, Asylums, &c., and until sufficient statistics and facts should be adduced to enable it to adopt a general and uniform system, applicable to all the cities, towns and incorporated villages of the Province. (Hear, hear). In the items for Lunatic Asylums there is a slight increase, resulting, as it is alleged, from the additional cost of labor—hired help, as we may call it—and of provisions. I may mention in this connection that the gross cost of every lunatic in the Provincial Asylum aside from the capital of buildings and first furnishings and fittings will be for the current year \$2.88 per week—equal to \$150.08 per year per patient—that is over and above what is received from paying patients—deducting what is received from paying patients the cost is \$136.50½. This is on the assumption that the average number of inmates for the year is 515—an over-estimate, I think. For those

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f Hospitals and charities, \$1,000.

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who have been sent to Rockwood Asylum—which can accommodate 125 patients—it is estimated, without allowing anything for paying patients, that we will have to pay the Government of the Dominion \$143 per patient yearly. That is the price estimated for and the price paid Dr. Douglass at Beauport Asylum, Quebec, and that is the price which the Prison Inspectors have said they would recommend the Government to take. It would appear therefore, if my figures are correct, that, independent of capital expenditure altogether, our lunatics are costus \$7.08 per inmate per annum more in the Provincial Lunatic Asylum Toronto than at Beauport, or than we could have them kept by the Dominion Government. I make no observation upon this state of things, but it would seem to require explanation. By comparing several years past it will be found that every year adds a small amount to the cost per patient, and the estimate for the ensuing year is no exception to this annual uniform increase. The next item is—Reformatory, Penetanguishene, for Salaries and Maintenance, \$23,627. The general expenses of this establishment remains as before—a slight increase of \$613.63, arising from an increase in the number of inmates is noticeable. The grants to literary and scientific institutions we leave as they were before. In the estimate for Common Schools there is a considerable increase—resulting from the labors and recommendations of the Committee on Education. There is an increase altogether under this head of \$30,535. It will be observed that provision is for the first time made for the payment of County Inspectors or Superintendents, who, according to the Bill which has been introduced on behalf of the Committee, are to be nominated by the County Councils, and appointed by the Government. The item for the payment, in part, of the salaries of these officers, 45 in number, at \$300 each, amounts to \$13,500. There is also an increase of \$2,000 in the appropriation for Poor Schools. There is an increase of \$1,000 in the appropriation for the Normal and Model Schools; of \$2,500 for Grammar Schools; of \$4,000 for Libraries, Apparatus and Prizes; of \$2,000 for Superannuated Teachers; and of \$700 for the Museum and Library. The rest of the items under the head of Education remain as they were in the estimates of last session. I have now gone through all the estimates, on which there is any change, except the three items embraced in the supplementary estimates. I have already explained the first of these—that of \$22,322.26, being the lapsed appropriation of the present year for the Governor's residence. The next item is, \$13,264.72 to meet sums paid by the Dominion Government on account of the Province of Ontario, as per Statement No. 6 of the Public Accounts. The particulars of this amount will be found in that Statement. The various payments have been examined and have been found correct, with the exception of three items. One of these is \$1,784.81 for the Judicial Buildings, Algoma. That I carry to the Suspense Account, without pronouncing now whether the charge is right or wrong. The question is whether contracts made prior to the Union, when the work contracted for is in this Province, is not to be completed at the expense of the late

Province of Canada, and whether those works are to be carried on under the direction of the Ottawa Government, and the payments charged against the Ontario Government. I do not think it likely, however, that the Ottawa Government will pay any more expenses for works that are going on within the Province of Ontario, and which properly ought to come under the cognizance and supervision of the Government of Ontario. If it does pay them in future, it never will be repaid. There is another disputed payment in this account, salaries and disbursements of Crown Timber Office, Ottawa, from 1st January to 30th June, 1868, \$1,351.53. The Commissioner of Crown Lands will be able to explain this fully. But I may mention that at this Crown Timber Office, in Ottawa, there are collected slide dues for the Dominion, timber dues for Quebec, and timber dues for Ontario, and what proportion of the expenses of the office this Government has to pay, is not yet decided.

MR. SCOTT (Ottawa)—One-third, I believe.

HON. MR. WOOD—That is the proposition we made, but it has not been assented to by Quebec. However, if any money has to be paid by us, the charge must be made directly against the Treasurer of this Province, and must pass through our books in the ordinary way. Another disputed payment is—J. M. Ferres, Inspector of Prisons, balance of allowance and expenses, 12th October, 1867, to 23rd May, 1868, \$208.79. Now, in the month of February last, this Legislature passed an Act doing away with these Inspectors altogether. This payment, or part of it at least, seems to have been for a period subsequent to that date. I do not think it correct, and have therefore carried it to the suspense account. There is only one other item in the Supplementary Estimates—Loan to the Toronto General Hospital, to prevent the same being closed up, \$4000. I understand, from communications with the Trustees, that unless some additional aid, beyond what is given in the general estimates, be granted, it cannot operate efficiently, and must be closed up. This state of things may be the result of bad management in the past, but for that bad management the present Trustees are not responsible. I believe they have done all they possibly could for the benefit of the Institution. And particularly I believe Mr. Justice Wilson has given great attention to the matter. The papers which have proceeded from him shew that he has devoted a great deal of time to the interests of the Hospital. And I may say, generally, that the strongest desire has been manifested on the part of the best thinking, most benevolent, and most liberal men in the Province, that that Hospital should in some way be put on a proper footing, so that its annual income may meet its expenses. This is most desirable for the sake of the class of sufferers for whose benefit it has been instituted. And, moreover, as it is the only General Hospital in the Province in which clinical instruction can be given, and around which may centre the best medical ability we have in the land, it is of essential importance to the whole community that the institution should be put on such a footing as that it should

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sustain itself. Now the fact stares us in the face, that what the Govern-
ment has hitherto been doing proves to be in a great measure ineffectual
for the accomplishment of the object designed, and therefore we have
come to the conclusion to ask from the House authority to loan the
Institution the sum of \$4000. The Supply Bill will contain a clause
giving the Government a lien on the property of the Hospital
for the re-payment of the amount. I will now say a word or two
on a point which I desire to bring before the House. It is con-
tended by many that we ought to look around for some sources of
revenue which we have not already—(hear)—that it is well to look
ahead, so that in case we should require additional sources of revenue,
we should know where to find them. Now I throw out the
suggestion to the House, as to whether or not, all things considered, it
would not be best for the Government to take entire charge of the liquor
licensing system of the Province, and make what it can out of it for the
general purposes of the Province, in order to aid the institutions of
which I have been speaking. It is our duty to maintain them. From
that responsibility we cannot escape. It is the traffic in this very article,
the licensing of which, I suggest, the Government shall take under its
sole control, which mainly makes the maintenance of these lunatic
asylums, hospitals and charities a necessity. (Hear.) It may be said,
you can stop the importation or manufacture of liquors. But we cannot
do impossibilities. We have no power to stop the importation, nor are
we prepared to keep up an army of policemen from Sandwich to Corn-
wall, in order to prevent the manufacture and importation of the article.
But its manufacture and importation is beyond the province of this
Government. It may be objected again, that the proposed measure
would take away a large revenue from the municipalities; but every one
knows that this is a fallacy. Substantially, morally, and religiously,
cities and towns, villages and townships, lose far more than they gain by
the present system. The law is not enforced properly, and in this way
the municipalities lose heavily. But place the matter in the strong hands
of the Government, place it in the hands of a power not likely to be dis-
suaded from enforcing the law—and the traffic can be regulated and made
to yield a large revenue to the Province. (Cheers). The expenditure—as
I have now gone over it—amounts to \$1,597,789.85. How is it to be
met? I have made an estimate of the revenue which, should I occupy
this place next session, will, I hope not be found in excess. In the first
place I say the specific payments will yield \$80,000, and the subsidies
\$1,116,872.80—or \$1,196,872.80. The specific payments, I may ex-
plain, are those which the Dominion Government has to give the Pro-
vince of Ontario every half-year in advance, which is \$40,000. In addi-
tion to this they have to pay us 80c. per head of the population, ac-
cording to last census, half-yearly in advance. This gives us the \$1,116,-
872.80. The Penetanguishene Reformatory will give \$700. This insti-
tution, unfortunately, was built where civilisation has hardly penetrated,
and it is so expensive to get material there, and the articles, when manu-

factured, away, that the labor of the inmates is utilised to little advantage. From the Provincial Lunatic Asylum I count on \$6,000, from the Malden Asylum, \$350; Orillia Asylum, \$100; Educational Department, \$24,500; Consolidated Municipal Loan Fund, \$200,000. This fund did not yield so much during the past year, for the reason that the municipalities in debt under it supposed that nobody in particular was looking after them, that in the present transition state the Ottawa Government cared little about the fund, and that Ontario was not in a position to call upon them because the arbitration had not taken place. (Hear, hear). Casual revenue I set down at \$10,000. It will consist of what will be got in the Provincial Secretary's Office, from Private Bills, fines and forfeitures, and such revenue. Tavern licenses I estimate at \$20,000, but in order to realize that I must have the assistance of the House to make a change in the present law. (Hear, hear). The whole question of licenses is, I must confess, a most difficult one to deal with. The public mind is very unsettled on the subject; but almost all classes of thinking men come to the conclusion that the only remedy is to be found in vesting in the Government the full power of licensing, and not dividing up the matter between the Municipalities and the Government. (Hear). Then I estimate the interest on our Debenture investment at \$30,000, and on the stock at \$21,000. Crown Lands revenue I estimate at \$250,000—that is, free from all charges; Clergy Reserve, \$134,500; Common School, \$109,500; Grammar School, \$6,850; Suspense Account, \$4,000—making altogether a gross revenue of these items, \$504,850. Add to this, marriage licenses, \$25,371; L. S. Stamps, \$15,391; F. F. Stamps, \$34,000; C. F. Stamps, \$25,300. And these Law Society Stamps, let me here explain, absolutely belong to the revenue of Ontario; and for this reason, the Law Society incurred a debt, besides the debentures issued on the credit of the fund, of about \$144,000. This debt always belonged to Ontario, is an asset in our hands, and is being gradually reduced through the revenue from these stamps, so that in course of years the debt will be wiped out entirely. (Hear, hear). It is therefore revenue belonging to Ontario, and as such I estimate it. The revenue from the sale of the Statutes I estimate at \$1,200; from the Ontario *Gazette*, \$6,000; Algoma taxes, \$4,562.82; interest on the Grammar School Fund, \$15,638.44; interest of the U. C. Building Fund, \$75,600.44; interest on the portion of the Common School Fund belonging to Ontario, \$45,810.10. Besides this we have the Upper Canada Grammar School Income Fund amounting to \$18,167.65, which Fund ought to yield us at least 3 per cent. interest, or \$545.03. Then there is the Upper Canada Grammar School Fund, City of Hamilton Debentures, \$50,000. I must manage to get 3 per cent. on that too, and a further sum of 3 per cent., or \$1,224, out of the \$30,000 City of Hamilton Debentures, and on the \$10,800 interest in arrear thereon, belonging to the Upper Canada Building Fund. There is also a balance due from the Dominion, which I do not intend to take

up this year, of cash, bearing interest, from which I estimate I shall get \$200,000.

MR. BLAKE—When the hon. gentleman says he does not intend to take it up this year, does he mean 1868 or 1869?

HON. MR. WOOD—1868.

MR. BLAKE—There are only a few days left of 1868.

HON. MR. WOOD—As I said I will not draw the \$200,000 this year, but I do intend to draw the \$100,000 which I mentioned as entering into the cash balance on Dec. 31, 1868. I estimate the cash on hand on the 31st Dec., 1868, at \$192,945.75—making a grand total gross revenue of \$2,659,461.38. On the other side, the expenditure I have to provide for is, the appropriations as per final estimate of \$1,597,769.85; two half-years' payments of interest at 5 per cent. on the supposed excess of debt over \$62,500,000, estimated to be altogether \$9,500,000, and Ontario's proportion to be \$5,288,940; the two payments of interest on this amount being \$264,447. Special Funds come next—the Municipalities Fund to the amount of \$134,500; Common School, \$109,500; Grammar School, \$6,850; Crown Lands Suspense Account, \$3,000—making a grand total estimated expenditure of \$2,116,086.85. This amount, deducted from the estimated revenue, shows a clear balance on the year's transactions of \$543,374.53. This is the result, after providing for all the estimates brought down, taking into account and providing for the excess of debt, and setting aside the cash in actual investment and the Trust Funds. Taking all these into account, and providing for everything, we shall have in round numbers half-a-million of dollars on hand, a surplus on the financial transactions of 1869 to add to the investment we already have of \$850,000. (Cheers.) And hon. gentlemen will notice that we have been all along presenting the gloomiest side of the picture, and that our surplus will in all probability be much larger. (Cheers.) Hence I find myself to-day in a comparatively easy, comfortable position. I am not troubled to look around for ways and means of raising a revenue. And if I have made a very clear statement of our financial condition, I cannot claim any very great credit to myself. I have had no difficulty in finding out a revenue—have had no occasion to resort to a Committee of Ways and Means, in order to raise the amount necessary, and I am very glad of it. If I understand them aright, the people of this Province have a very great aversion to direct taxation; and speaking individually, I must say that I hope the day is far distant—more than a quarter of a century any way—when direct taxation will have to be resorted to in Ontario. (Cheers.) I am perfectly satisfied, that with care a great many sources of revenue might be gathered up, in order to give us abundance. (Cheers.) It was, I understand, represented by some French papers, that instead of having a surplus, Ontario would have a deficit, but the falsity of these predictions is now apparent. It is as

plain as that two and two make four, that after clearing up the whole current year's transactions, we will have on hand, in actual hard cash, nearly \$1,000,000. While bringing about this result, we have been reasonably liberal, without being unreasonably extravagant. This House can now contemplate the gratifying result. Long may the Treasurer of this Province, whoever he may be, be able to come down to the House with a statement that on the year's transactions, the ordinary revenue is largely in excess of the expenditure. (Cheers.) Realizing our ability to do so, the Government has turned its attention to various subjects which public opinion seemed to point out for assistance, and therefore the expenditure for the ensuing year, if the House passes the estimates, will be in excess of the present year, and yet at the end of the coming year, we shall be able to add to our present surplus of \$850,000 invested,—another half-million. (Loud cheers.) Having moved that the Speaker do leave the Chair, the Hon. gentleman resumed his seat amidst applause, having spoken nearly four hours.

MR. BLAKE—Perhaps the hon. gentleman will explain the item of interest in connection with the half million dollars' worth of bonds which we bought. A large item of interest appears against us for money borrowed from the Bank of Montreal.

HON. MR. WOOD—This can be more satisfactorily explained by the papers, which I will bring down if desired, than I can now make. In the month of January last we had a balance in the hands of the Dominion. I cannot be clear as to dates, without reference to papers. In the spring of this year an arrangement was made with the Minister of Finance, by which certain interest was to be paid on the balances left with the Dominion. The Attorney-General will probably recollect more accurately than I do at this moment the dates and terms of that arrangement. We were all the time looking out for a better investment. On the 5th of June I ascertained that we could purchase these debentures, but we had already locked our money up and could not withdraw it without giving such a notice as would have prevented our purchase of the debentures at the advantageous rates then going. We accordingly went to the Bank of Montreal and obtained an advance of money for the payment of these debentures, with the understanding that they should hold them as security for the advance. We purchased at 98, and paid the bank interest at 6 per cent, for the purchase money. When the time arrived at which, according to our arrangement, we could draw our own money, Mr. Langton gave us notice that he was prepared to pay over the same, that they had too much, and did not desire to hold ours any longer at 5 per cent. So we took the money, and offered it to the Bank of Montreal for the money advanced us, before the period of the advance had expired. When we tendered payment, the Bank said: It so happens that just now we are overstocked with money, and therefore cannot allow you as much as 6 per cent. on this money for the time yet to run. This will account for the interest item in the Public Accounts.

Mr. BLAKE—What was the arrangement with the Ottawa Government at the time you purchased the bonds ?

ATTY GEN. MACDONALD—I will offer a word or two in explanation, as the Hon. the Treasurer must be tired-out with his lengthy, clear, and exhaustive address, to which this House has listened with marked attention, and I think I may say with great satisfaction. About January last, when we asked permission to invest our surplus funds in Dominion stock there happened to be about half a million dollars in the hands of the Government, we did not use till February, and when the House of Commons met, we found that the Dominion stock was going to be issued. It was our intention to have invested \$500,000 in that stock, but we found it was not very saleable in the market ; and though an order in Council was made to make the investment, nothing was done. Before the time the Finance Minister came down with his budget, it was necessary that there should be an arrangement as to what terms the half a million dollars of ours in the hands of the Dominion could be invested ; and it was at length agreed that for the first two months of the year for the money in the hands of the Dominion Government we should be allowed 3 per cent ; for the next two months four per cent ; and after May that we should get 5 per cent. on any balance we had in the hands of the Government till November. We gave notice to the Dominion Government, I may explain, that we wanted our money in November. In June the Hon. the Treasurer requested me to enquire about the investing this money. The Hon. Mr. Rose had then gone to England, to negotiate on Intercolonial Railway matters ; and the Hon. the Treasurer requested me, if I went to Montreal, to see,—even in June—how we might best invest this money coming into our hands in November ; and so, by arrangement, we bought Government sixes at 98. To do this, the Bank of Montreal generously loaned us \$500,000, and on this amount we cleared in a very short time \$10,000. (Cheers.) For the purchase of the \$500,000 worth of six per cent. debentures of the Dominion of Canada we paid \$490,000 ; and interest had accumulated on the bonds, from March up to the time of the purchase, of \$5,000 in round numbers. Subsequently the Treasurer negotiated for the purchase of stock of the Dominion of Canada to the amount of \$350,000, which the Dominion Government paid us in September. They could have paid us this money at any time ; but as the Finance Minister had a plethora of money after his return from England, they concluded to pay the amount of the July subsidy they owed us ; and the moment they paid it over the Honourable the Treasurer negotiated for the purchase of Dominion Stock at 101, which is now worth 105. Thus, through prudent investment, the Honourable gentleman made 4 per cent. on his investment in October, and 8 per cent. on his first investment, and cleared altogether for the country some \$40,000 or \$50,000 by these operations. (Cheers.) But it will be remembered that when the thing was mooted the member

for South Bruce strongly opposed the investment in Dominion Stock and other securities, and after last session on one occasion when the Hon. gentleman addressed his constituents in an after dinner speech, he told them that the Government had not dared to invest one cent in Dominion Stock. (Hear, hear). But the Hon. gentleman found he was most egregiously mistaken. (Hear). Suppose we had not made that investment what would have been the result? Simply, that we would have had to invest our money at four cent. in the banks, where neither in point of interest or security would we be at all so well off as at present. (Hear, hear). It is with pleasure I show to my hon. friends opposite the wisdom of the policy followed on our side—(Cheers)—and I hope they will profit by the lesson. (Cheers).

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APPENDICES.

APPENDIX A.

STATEMENT shewing Estimated Unexpended Balances on 31st December, 1868.

SERVICES.	Appropriated by Supply Bill and Consolidated Revenue Bill.	EXPENDITURE.				Unexpended appropriation to lapse on the 31st Dec.,1868.
		To Sept. 30, as per Public Accounts.			Total.	
		\$	cts.	For the quar- ter ending 31st Dec.		
Civil Government	122,873 29	\$	cts.	\$	\$	\$ cts.
Crown Lands Expenditure	77,900 00	72,233 56	26,000 10	98,233 66	98,233 66	24,639 63
Legislation—two Sessions	91,950 00	30,044 82	13,351 47	43,396 29	43,396 29	34,503 71
Administration of Justice	200,365 26	124,583 36	40,715 23	48,474 73	89,189 96	2,700 04
Public Works and Buildings	224,972 00	124,583 36	59,788 69	184,372 05	184,372 05	15,983 21
Agriculture	66,450 00	95,444 48	85,394 14	180,838 62	180,838 62	44,133 38
Miscellaneous	23,000 00	55,184 00	5,675 00	60,859 00	60,859 00	5,591 00
Hospitals and Charities	130,488 50	5,900 24	12,814 56	18,714 80	18,714 80	4,285 20
Lunatic Asylums	23,013 37	39,000 00	36,759 87	126,958 83	126,958 83	3,529 67
Reformatory, Penitentiary	3,600 00	17,692 24	5,321 13	23,013 37	23,013 37	
Literary and Scientific Institutions	296,965 00	3,600 00	42,190 99	296,965 00	296,965 00	
Aid to Superior Education	32,100 00	30,600 00		30,600 00	30,600 00	1,500 00
Unforeseen and Unprovided Expenses	20,000 00	9,574 32	2,350 91	11,925 23	11,925 23	8,074 77
Investment of Surplus Funds	859,968 75	504,685 15	355,283 60	859,968 75	859,968 75	
	\$2,212,646 17	1,374,230 37	693,405 19	2,067,635 56	2,067,635 56	145,010 61

NOTE.—Of the \$693,405 19, \$355,283 60 is not included in Estimates, but is invested in Dominion stock.

Amount of Expenditure for quarter ending 31st December, 1868. \$693,405 19
 Less—Investment in Dominion stock 355,283 60

338,121 59

145,010 61

Add unexpended balances 483,132 20

Will be same as per Public Accounts on 30th September, 1868, p. 39, Statement 4. 483,132 20

APPENDIX B.
ESTIMATED STATE OF CASH on 31st December, 1868.

	\$	cts.	\$	cts.
Balance in Treasurer's hands, 30th September, 1868, as per Public Accounts				456,405 94
Estimated receipts from 1st October to 31st December, viz:—				
From Dominion of Canada, on general account	49,000 00			
Do do do	100,000 00			
Do do do Municipal Loan Fund account	134,693 65			274,693 65
Do Crown Lands Department:—				
Revenue	75,000 00			
Clergy Lands	34,903 00			
Common School Lands	21,040 00			
Grammar School Lands	500 00			
Do Provincial Lunatic Asylum				131,443 00
Do Maiden Asylum				1,518 98
Do Education Department				54 02
Do Casual Revenue				6,277 54
Do Tavern Licenses				4,376 34
Do Refund per Reformatory				3,779 74
Do do T. C. Patteson				286 72
Do do Hon. D. Macpherson				1,208 01
Do Law Stamps (L.S.) \$2,565.00, Marriage Licenses \$2,842.00				800 00
Do Taxes in Algoma				5,407 00
				100 00
Less—Estimated payments in December quarter, as per General Statement				
				886,350 94
				693,405 19
				\$192,945 75

APPENDIX C.
SUMMARY.

ESTIMATED RESULT of the Financial Operations of the Treasury Department of Ontario for the year ending 31st December, 1868.

Dr.	\$ cts.	Cr.	\$ cts.
To Special Funds, as follows, viz:—			
Municipalities' Fund	137,994 81	By Debentures of the Dominion of Canada	500,000 00
Common School Fund	108,987 16	" Stock do 	350,000 00
Grammar School Fund	10,830 70	" Cash in Treasury on 31st December, 1868	192,945 75
Balance	785,133 08		
	1,042,945 75		1,042,945 75
		By balance	785,133 08

NOTE.—If the proportion of the Common School moneys (five-ninths of \$108,987.16), \$60,548.40, and the Grammar School moneys, \$10,830.70—making together \$71,379.10—be treated as revenue for general purposes, as it seems they should be, and the same be added to the balance shown above, \$785,133.08, it will produce a clear surplus at the end of 1868, of \$856,512.18.

APPENDIX D.
STATEMENT of probable state of Account between Ontario and the Dominion, on 31st December, 1868.

1868 Jan. 1...	MISCELLANEOUS ITEMS.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
To balance as per Public Accounts, 1867, No. 6, p. 23.....			80,000 00	188,878 19	
" Specific payment, one year.....			1,116,872 80		
" Subsidy.....				1,196,872 80	
" Municipal Loan Fund.....			136,127 64		
Less—Expenses of management.....		1,433 90			
" Amount included in Public Accounts, 1867		38,534 39			
" Law Fee Fund.....			39,968 38	96,159 26	
" Law Fees Con. Fund.....			37,887 00		
" Law Society, U. C.			25,454 00		
" Law Fees undistributed.....			15,391 00		
			21,100 00		
" Interest on U. C. Grammar School Income Fund for one year, viz:—				99,832 00	
Amount of Fund.....					
" One year's interest at 5 per cent on same				1,808 38	
" Interest on U. C. Grammar School Fund, viz:—					
Amount of Fund.....					
Less—Investments.....					
" One year's interest on				15,638 45	
" Interest on Common School Fund, viz:—					
Amount of Fund.....					
Less—Quebec T. Trust					
" Approximate proportion of					
belonging to Ontario, on supposition this Fund will be apportioned					
according to population, as per last census					
" Interest thereon for one year.....					
		981,340 00		49,067 00	
" Interest on U. C. Building Fund, viz:—					
Amount of Fund					

Interest on	\$36,800 00
Less—Debt account	30,000 00
" Investments.....	66,800 00
	75,600 44

and Lieutenant-Governor's Residence, Toronto, 23 & 30 Vic. c. 8, and leaving \$1,215.35 to cover the smaller items charged against the Dominion in "suspense," the greater part of which will no doubt on investigation, be found to be correct.

APPENDIX E.

ESTIMATE

Of the Total Expenditure of the Province of Ontario for the year ending 31st December, 1869.

SERVICE.	\$ cts.	\$ cts.	\$ cts.
CIVIL GOVERNMENT.			
LIEUTENANT-GOVERNOR'S OFFICE.			
Private Secretary, Salary.....	800 00		
Messenger, do	400 00	1,200 00	
EXECUTIVE COUNCIL OFFICE.			
Clerk, Salary	400 00		
Caretaker, do	365 00		
Messenger, part Salary.....	250 00	1,015 00	
ATTORNEY-GENERAL'S OFFICE.			
Attorney-General, as Premier, Salary.....	4,000 00		
Chief Clerk, Salary	1,200 00		
Second do do	700 00		
Messenger, part Salary.....	250 00	6,150 00	
TREASURY DEPARTMENT.			
Treasurer, Salary	3,200 00		
Accountant, do	1,200 00		
Chief Clerk, Audit Branch, Salary.....	1,200 00		
Junior do do	550 00		
Clerk of Correspondence, do	650 00		
Messenger, do	365 00	7,165 00	
SECRETARY AND REGISTRAR'S OFFICE.			
Secretary and Registrar, Salary.....	3,200 00		
Assistant Secretary and Deputy Registrar, Salary...	1,600 00		
First Clerk.....	800 00		
Two Clerks, at \$2 per diem.....	1,460 00		
Two do \$1 do	730 00		
Messenger.....	365 00	8,155 00	
Carried forward.....		23,685 00	

ESTIMATE.—Continued.

SERVICE.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>		23,865 00	
CIVIL GOVERNMENT.—Continued.			
DEPARTMENT OF AGRICULTURE AND PUBLIC WORKS.			
Commissioner, Salary	3,200 00		
Architect and Engineer, Salary.....	2,000 00		
Secretary of Public Works, Salary	1,000 00		
Secretary of Agriculture, do	800 00		
Accountant, do	800 00		
Messenger, do	365 00		
		8,165 00	
CROWN LANDS DEPARTMENT.			
Commissioner, Salary	3,200 00		
Assistant Commissioner, Salary ..	2,600 00		
Surveys Branch, Salaries	3,810 00		
Land Claims and Sales in Old Townships Branch, Salaries.....	4,760 00		
Clergy and School Lands and Crown Lands in New Townships Branch, Salaries.....	5,500 00		
Letters Patent do do	3,030 00		
Woods and Forests Branch, Salaries	3,200 00		
Accounts do do	7,220 00		
Colonization Roads do do	2,400 00		
Registrar's do do	1,400 00		
Office Keeper, Salary.....	500 00		
Messenger, do	450 00		
		38,070 00	
CONTINGENCIES			
Of the Departments, not otherwise provided for, including Printing, Stationery, Advertising, Blank Books, Postages, Telegrams, Additional Clerk- hire, &c., &c., viz:—			
Lieutenant-Governor's Office.....	210 00		
Executive Council Office.....	780 00		
Attorney-General's Office.....	805 00		
Treasury Department	3,075 00		
Secretary and Registrar's Office.....	2,568 00		
Department of Agriculture and Public Works.....	1,933 00		
Crown Lands Department.....	12,000 00		
		21,371 00	
CROWN LANDS EXPENDITURE.			
Salaries and Expenses of Travelling Agents.....	5,000 00		
Board of Surveyors	400 00		
<i>Carried forward</i>	5,400 00		91,291 00

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ESTIMATE.—Continued.

cts.	\$ cts.	SERVICE.	\$ cts.	\$ cts.	\$ cts.
00		<i>Brought forward</i>	5,400 00		91,291 00
		CROWN LANDS EXPENDITURE (Continued)			
		Agents' Salaries, Commission and Disbursements.....	35,000 00		
		Refunds.....	10,000 00		
		Surveys.....	50,000 00		
				100,400 00	
		LESS—Commission on Clergy and School Services.....		50,170 00	50,230 00
00		COLONIZATION ROADS.			
		For construction and repairs.....			50,000 00
		LEGISLATION.			
		<i>Salaries.</i>			
		Mr. Speaker.....	1,000 00		
		Clerk of the House.....	1,400 00		
		Assistant Clerk and Accountant.....	1,200 00		
		Clerk of Committees.....	1,200 00		
		Law Clerk, arrears, 1868.....	1,000 00		
		do 1869.....	1,000 00		
		First Office Clerk.....	800 00		
		Clerk of Routine and Records.....	600 00		
		Clerk of the Crown in Chancery.....	400 00		
		Sergeant-at-Arms.....	400 00		
		Junior Clerk.....	500 00		
		Housekeeper and Chief Messenger.....	500 00		
		Three Messengers at \$365.....	1,095 00		
		Fireman.....	365 00		
		Night Watchman.....	365 00		
				11,825 00	
		Sessional Writers, Messengers and Pages.....		2,000 00	
		Postages and cost of House Post Office.....		1,500 00	
		Stationery, including Printing-Paper, Printing and Binding.....		5,000 00	
		Printing, Binding and Distributing the Statutes.....		3,500 00	
		Expenses of Elections.....		1,000 00	
		Increase of Library.....		1,000 00	
		Indemnity to Members, including Mileage.....		30,000 00	
		Contingencies.....		2,000 00	
00	91,291 00	ADMINISTRATION OF JUSTICE.			57,825 00
		COURT OF CHANCERY.			
		Salary of Master.....	2,240 00		
		Arrears, 1868.....	760 00		
...	91,291 00	<i>Carried forward</i>	3,000 00		249,346

ESTIMATE.—Continued.

SERVICE.	3 cts.	3 cts.	3 cts.
<i>Brought forward</i>	3,000 00		249,316 00
ADMINISTRATION OF JUSTICE.			
COURT OF CHANCERY—(Continued.)			
Salary of Taxing Officer.....	1,600 00		
do Senior Clerk, Master's Office	1,000 00		
do Junior do do	800 00		
do Registrar	1,840 00		
do Clerk, Registrar's Office	1,000 00		
do do do	1,000 00		
do do do	1,000 00		
do Entering Clerk.....	600 00		
do do	500 00		
do Usher and Housekeeper.....	450 00		
do Messenger	365 00		
do Surrogate Court Clerk.....	1,600 00		
Contingencies.....	1,182 00		
		15,937 00	
COURT OF QUEEN'S BENCH.			
Salary of Clerk of the Crown	1,840 00		
do Senior Clerk	1,200 00		
do Junior do	1,000 00		
do Clerk of Process	1,400 00		
do Assistant in Process Office.....	400 00		
do Housekeeper and Messenger.....	500 00		
do Usher and Crier	160 00		
do Assistant Messenger	160 00		
Contingencies	750 00		
		7,410 00	
COURT OF COMMON PLEAS.			
Salary of Clerk of the Crown	1,840 00		
do Senior Clerk.....	1,200 00		
do Junior do	1,000 00		
do Usher and Crier	160 00		
Contingencies.....	500 00		
		4,700 00	
CRIMINAL JUSTICE.			
Crown Counsel, Criminal Prosecutions	10,000 00		
Administration of Criminal Justice.....	117,000 00		
Special Services, Criminal Justice	2,000 00		
		129,000 00	
<i>Carried forward</i>		157,047 00	249,346 00

ESTIMATE.—Continued.

\$ cts.	SERVICE.	\$ cts.	\$ cts.	\$ cts.
249,316 00	<i>Brought forward</i>		157,047 00	249,346 00
	ADMINISTRATION OF JUSTICE—Continued.			
	MISCELLANEOUS JUSTICE.			
	Deputy Clerks of the Crown and Pleas.....	12,100 00		
	To meet expenses of Administration of Justice in the Districts of Algoma, Nipissing and Muskoka, and other services.....	17,900 00		
	To meet expenses incurred by the authorities <i>in re</i> Driscoll Murder, Kingston.....	712 82		
	do <i>In re</i> Newbecker Murder, Bruce.....	450 36		
	do <i>In re</i> Benson Forgery, London.....	65 69		
	Seals and other contingencies.....	200 00		
			31,437 87	186,484 97
	PUBLIC WORKS AND BUILDINGS.			
	Government Buildings.—For repairs, insurance, fur- niture and other expenses.....	25,000 00		
	Fuel, gas, water, &c., for House of Assembly and Departments.....	5,000 00		
	Government House.—Completing Lieutenant-Gov- ernor's residence, including outbuildings, furniture, fencing and laying out grounds.....	60,000 00		
	Lieutenant Governor's Residence.—Rent, fuel, &c., &c., for Lieutenant Governor's present residence.	2,500 00		
	Provincial Lunatic Asylum, Toronto, completing new wings.....	75,000 00		
	Additional Asylum accommodation for Lunatics ...	100,000 00		
	Deaf and Dumb Institution	75,000 00		
	Reformatory, Penetanguishene, workshops and water supply	5,000 00		
	Improving navigation of Inland waters, and surveys and drainage of lands	100,000 00		
	Government Buildings, Toronto.—Salary of House- keeper, east wing, Departmental Buildings	400 00		
	do of Fireman for do	365 00		
	House cleaning	200 00		
				448,465 00
	AGRICULTURE.			
	Electoral Division Societies—73 at \$700 each	51,100 00		
	1 at \$550	550 00		
	7 at \$350 “	2,450 00		
	Fruit Growers' Association	350 00		
	Agricultural Association.....	10,000 00		
49,346 00	<i>Carried forward</i>	64,450 00		886,205.87

ESTIMATE.—*Concluded.*

SERVICE.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>	64,450 00		886,295 87
AGRICULTURE.—Continued.			
Mechanics' Institutes	4,000 00		68,450 00
IMMIGRATION.			
Grant in aid of Immigration.....			10,000 00
MISCELLANEOUS.			
Salary of Inspector of Prisons.....	2,000 00		
Expenses of do	500 00		
Cost of <i>Official Gazette</i>	3,000 00		
Expenses of Arbitration.....	1,000 00		
Salary of Inspector of Registry Offices	2,000 00		
To cover gratuities to public officers whose services may be dispensed with.....	20,000 00		
To aid the destitute Colonists of the Red River Settlement, in the discretion of the Government, not to exceed.....	5,000 00		33,500 00
HOSPITALS AND CHARITIES.			
Aid to Toronto Hospital, Toronto.....	6,400 00		
do do do for County Patients, Toronto...	4,800 00		
do House of Industry do.....	2,400 00		
do Protestant Orphans' Home and Female Aid Society, Toronto.....	640 00		
do Roman Catholic Orphan Asylum, Toronto...	640 00		
do Lying-in Hospital, Toronto	480 00		
do Magdalen Asylum, do	480 00		
do House of Providence, do	320 00		
do Girls' Home and Public Nursery, Toronto.....	320 00		
do General Hospital, Kingston.....	4,800 00		
do House of Industry and Refuge for Indigent Sick, Kingston.....	2,400 00		
do Orphans' Home, Kingston.....	640 00		
do Hotel Dieu Hospital do	800 00		
do General Hospital, London.....	2,400 00		
do City Hospital, Hamilton.....	4,800 00		
do Roman Catholic Orphan Asylum, Hamilton..	640 00		
do Orphan Asylum and Ladies' Benevolent Society, Hamilton.....	640 00		
do Protestant Hospital, Ottawa.....	1,200 00		
do Roman Catholic Hospital, Ottawa	1,200 00		
In aid of the Deaf and Dumb.....	3,000 00		
Aid to General and Marine Hospital, St. Catharines	1,000 00		
			40,000 00
<i>Carried forward</i>			1,038,245 87

ESTIMATE.—*Concluded.*

\$ cts.	SERVICE.	\$ cts.	\$ cts.	\$ cts.
86,295 87	<i>Brought forward</i>			1,038,245 87
	LUNATIC ASYLUMS.			
68,450 00	Provincial Lunatic Asylum and Branch, Toronto	76,300 00		
10,000 00	Lunatic Asylum, Malden	32,676 00		
	do Orillia.....	17,954 00		
	do Rockwood	14,300 00		
				141,230 00
	REFORMATORY, PENETANGUISHENE.			
	For Salaries and Maintenance.....			23,627 00
	LITERARY & SCIENTIFIC INSTITUTIONS			
33,500 00	Aid to Medical Faculty, Victoria College, Cobourg	750 00		
	do School of Medicine, Kingston.....	750 00		
	do School of Medicine, Toronto.....	750 00		
	do Canadian Institute, do	750 00		
	do Canadian Institute, Ottawa	300 00		
	do Athenæum, do	300 00		
				3,600 00
	EDUCATION.			
	For Common and Separate Schools.....	170,000 00		
	do Poor Schools	4,000 00		
	do Normal and Model Schools.....	18,000 00		
	do Grammar Schools.....	57,500 00		
	do Libraries, Apparatus and Prizes.....	36,000 00		
	do Superannuated Teachers	6,500 00		
	do Museum and Library.....	3,500 00		
	do Journal of Education.....	1,800 00		
	do Grammar School Inspection	2,000 00		
	County Common School Superintendents, part			
	Salaries	13,500 00		
	Salary of the Superintendent of Education, \$4000 00			
	do Deputy do do ...	2200 00		
	do Senior Clerk and Accountant.....	1200 00		
	do Corresponding Clerk	900 00		
	do Statistical Clerk	1000 00		
	do Assistant do	500 00		
	do do do	500 00		
	do Messenger	365 00		
		10,665 00		
	Contingencies	4,035 00		
0,000 00				327,500 00
245 87	<i>Carried forward</i>			1,534,202 87

ESTIMATE.—*Concluded.*

SERVICE.	\$ cts.	\$ cts.	\$ cts.
<i>Brought forward</i>			1,534,202 87
UNFORESEEN AND UNPROVIDED EXPENSES.			
To meet Unforeseen and Unprovided Expenses ...			20,000 00
To make good the amount paid to Mrs. Isabella McKenzie, widow of the late William Lyon McKenzie, in accordance with an Address passed by the Legislative Assembly, on 3rd March, 1868.....			4,000 00
TOTAL.....			1,558,202 87

ADDITIONAL ESTIMATE

Of Expenditure of the Province of Ontario, for the year ending
31st December, 1869.

S E R V I C E.	\$ cts.
To correct the amount estimated for the completion of the Government House, being the amount of the unexpended appropriation for the year 1868, which lapses on the 31st December, 1868	22,322 26
To meet the amount expended by the Dominion Government on account of the Province of Ontario, as per Statement No. 6 of the Public Accounts, for the nine months ending 30th September, 1868.....	13,264 72
Loan to Toronto General Hospital, to prevent the same being closed up, to form a charge on the Toronto General Hospital hereditaments and property.....	4,000 00
Total.....	39,586 98

APPENDIX F.

ESTIMATED RECEIPTS AND EXPENDITURE for the year 1869.

RECEIPTS.	\$ cts.	EXPENDITURE.	\$ cts.
Specific payment	\$80,000 00	Appropriation as per final Estimate	1,597,789 85
Subsidy	1,110,872 80	Two (half years) interests, at 5 per cent., on excess of debt over \$62,500,000, estimated to be \$9,500,000. Proportion to Ontario \$5,288,940 00.	
Reformatory, Penitentiary		Quebec \$4,211,000 00.	264,447 00
Provincial Lunatic Asylum		As per population last census, \$132,223 50, half yearly.	
Malden Asylum			
Orillia Asylum			
Educational Department			
Consolidated Municipal Loan Fund		SPECIAL FUNDS:—	
Casual Revenue		Municipalities	134,500 00
Tavern Licenses		Common School	109,500 00
Interest on Debentures	\$30,000 00	Grammar School	6,850 00
“ Stock	21,000 00	Crown Lands Suspense Account	3,000 00
Crown Lands Revenue	\$250,000 00		
“ Clergy Reserves	134,500 00		
“ Common School	109,500 00		
“ Grammar School	6,850 00		
“ Suspense accounts	4,000 00		
Marriage Licenses			
L. S. Stamps			
F. F. Stamps			
C. F. Stamps			
Revenue from sale of Statutes			
“ Ontario Gazette			
“ Algonia taxes			
Interest, Grammar School Fund			

Revenue from sale of Statutes..... 1,200 00
 " " *Ontario Gazette*..... 6,000 00
 " " *Algonia taxes*..... 4,562 82
 Interest, Grammar School Fund..... 15,638 41

Interest, U. C. Building Fund	75,000 44	Balance	543,374 53
" " Common School Fund	45,810 10		
The following funds and several investments:—			
U. C. Grammar School Income Fund—\$18,167.65 at 3 per cent	545 03		
U. C. Grammar School Fund—City of Hamilton Debentures, \$50,000.00 at 3 per cent	1,500 00		
U. C. Building Fund—City of Hamilton Debentures	\$30,000 00		
Interest in arrear.....	10,800 00		
	1,224 00		
Balance from Dominion on estimated state of miscellaneous account on the 31st Dec., 1868	200,000 00		
Estimated cash on hand 31st December, 1868	192,945 75		
	2,659,461 38		2,659,461 38
Balance brought down	543,374 53		

NOTE.—The above estimated surplus to accrue during the year 1869, of \$543,374.53, is after providing out of revenue for the two half-yearly interest payments on the supposed excess of debt over \$62,500,000.00, and for all the special funds for the year, while these special funds (Common School and Grammar School), as has been more than once remarked, ought to be treated as general revenue, and if so treated, the estimated surplus will be \$611,057 83.